Financial Times December 31 1975

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NEWS SUMMARY

GENERAL

Britain recalls Chile envoy

...in has recalled its ambassador to Santiago indefinitely in ...st at the torture of Dr. ... Cassidy, the 37-year-old ...h doctor, who returned to ...on yesterday after being ...for 59 days by Chile police. ... Government, which is to ...it evidence of Dr. Cassidy's ...ience to the UN Human ...s Commission, knew about ...rture soon after her arrest ...vember 1. But the envoy's ... was not announced until ...assidy's arrival at Gatwick ...rt.

... Cassidy spoke last night of ... of torture at the hands of ... Chile police, of being ...ed naked and tied down to ..., and of the many times she ...ht her life was in danger. ...uring the first night," she ... "I was tortured with ...oc shocks on three separate ...ans."

...nial

... Cassidy's arrest took place ... a gunfight at a Catholic ...ome in Santiago. She was ...ed of treating a Left-wing ...tionary.

...t night the Chilean em... in London denied the ...e allegations.

...gola: 'Many ...African dead'

... troops fighting on the ...rn Angolan front have ...ed a serious defeat on ... African forces at Cela, it ...aimed officially in Luanda ... MPLA spoke of ...y South African dead." ...hile, South Africa recalled ...S. Ambassador for talks as ... pressure increased for an ... of the Angolan involve... Back page

...ter Loyalists ... conference

...'s Loyalist organisations ... stage a joint conference ...show of strength to West... before the Commons ...s the Convention Report ...uary 12. At the same time ...Ulster Workers' Council, ... May, 1974, strike brought ...wnfall of the power-sharing ...ive, are to lobby Labour ...bout the Report.

...son officers ...ace charges

...en prison officers from ...gham's Winson Green jail ... face criminal charges fol... allegations that the six ...gham pub bombers—now ... life sentences—were ... up after their arrest. The ... have been suspended on ... pay. Summonses allege ... bodily harm against the ...n.

...don siege, ...ib remands

...men who appeared on re... at a South London court ...lay charged in connection ...he Balcombe Street siege, ...emanded in custody until ... 7. Armed police sur...d the dock during the .... In the same court a ...-old chef was remanded ...ody accused of bombing ... Mulligan's bar at Kilburn, ... London. He was also ...d with three other men on ...onspiracy charges.

...fly . . .

...sident Papadopoulos of ..., 56, was jailed for 25 ...n Athens yesterday. He is ... under a death sentence.

...'s trawler fleet yesterday ... for new fishing grounds ...th-East Iceland.

...lia won the third Test ... the West Indies by eight ....

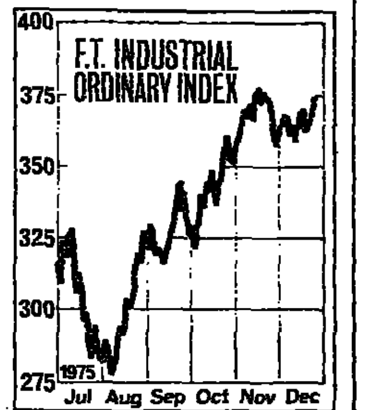
...d was lashed by gales of ... 24 mph yesterday.

... man in Britain, Mr. ... Southey, died in London ...ay. He was 110.

BUSINESS

Equities up 6.7; gilts firm

● EQUITIES were active. The FT 30-share index closed 6.7 up at 374.8, only 3 points off the 1975 peak. The FT-Actuaries All-Share index gained 1.6 per cent. to 157.80.



● GILTS were again firm. There was brisk trade in the "tap" stock and fresh gains in shorts ranged to ¾. Mediums and longs closed with rises of up to ¼. The Government Securities index rose 0.12 to 59.77.

● GOLD lost $½ to $141.

● STERLING gained 10 points to $2.0240; its weighted depreciation narrowed to 30 (30.1) per cent. The dollar began firmly but declined later.

● WALL STREET was 5.98 down at 850.68 near the close.

U.S. economic indicators index gains 0.4%

● U.S. INDEX of leading economic indicators increased by an estimated 0.4 per cent., following two months of decline. Page 4. Chancellor Helmut Schmidt predicted a decline in unemployment in his New Year message but warned West Germans that full employment would not be achieved in 1976. Page 5

● ENERGY consumption in Britain for October was 11.5 per cent. below 1974's level, according to Department of Industry figures. Deliveries of fuel oil fell 29.2 per cent. due to cuts in consumption for electricity generation. Page 4

● PROPERTY companies were totally unable to reduce the £2.96bn. they owe to banks during the three months to mid-November, according to the Bank of England. They still hold more than 13 per cent. of total sterling advances by the banking system.

● SLATER Walker Securities' offer to sell its 28 per cent. share stake in the Rockware Group for about £3m. to Pilkington Brothers was under urgent discussion last night following objections from Rockware's chairman. Back Page

COMPANIES

● NORWEST HOLST could pass into the control of two directors of an unquoted Manchester property development company, Stonegate Securities, if the Take-over Panel approves a proposed deal. Pre-tax profit for the half-year to October was down slightly at £0.438m. (£0.455m.). Page 12 and Back

● UNITED Fisheries of Kuwait has sold its entire Lonrho shareholding of 14.6m. to Gulf Fisheries WLL at 180p a share.

● AKROYD AND SMITHERS pre-tax profit for the year to October 3 rose to £7.31m (£3.55m.). The distribution total is 15p net per 25p share, including a 2.5p centenary bonus. Chairman says current profit is showing "an encouraging increase." Page 12 and Lex

● BARKER and Dobson pre-tax loss widened to £1.16m. (£0.92m.). Chairman believes the necessary corrective steps have been taken. Page 12

...F PRICE CHANGES YESTERDAY

(... in pence unless otherwise indicated)

RISES

...y 3pc 1979 ...	£83¼	+ [illegible]
...y 3½pc '77-80 ...	£83¼	+ [illegible]
...ders Discount	233	+ 6
...P. Cement ...	187	+ 5
...	118	+ 5
...	90	+ 5
...n	345	+ 5
...y Hambro ...	85	+ 8
...(J.) ...	89	+ 8
... McConnell ...	158	+ 6
...	347	+ 9
... Northrop ...	65	+ 4
...yder ...	265	+ 15
...l Tunnel ...	38	+ 8
... Rue ...	201	+ 8
...s ...	143	+ 4
...n Ferries ...	65½	+ 4
...	115	+ 7
Haslemere Estates ...	200	+ 8
ICI ...	334	+ 4
Keith and Henderson	62	+ 4
Land Secs. ...	180	+ 5
Lesbrook ...	6	+ 3½
Lonrho ...	128	+ 6
Morgan Grampian ...	45	+ 5
Nat. Westminster ...	250	+ 9
Norwest Holst ...	40	+ 4
P & O Dfd. ...	98½	+ 4½
Rowntree Mackintosh	188	+ 8
Sheaf Steam ...	77	+ 7
Sunley (B.) ...	165	+ 13
Tate and Lyle ...	245	+ 7
Shell Transport ...	380	+ 6
Guthrie ...	175	+ 9
Anglo United ...	90	+ 5
Minorco ...	215	+ 12
Phoenix Min. and Fin.	20	+ 4
RTZ ...	183	+ 4
Selection Trust ...	505	+ 20
Winklehaak ...	830	+ 40

A New Year message from the Chancellor of the Exchequer

Opportunities in 1976

NINETEEN SEVENTY-SIX will be another difficult year for the British people. But it can also mark the turning point in our post-war economic history. It can be the year in which for the first time Britain enters the upturn of an international trade cycle with a proper balance between the main components of demand, fully competitive in world markets, and prepared to reach the peak of recovery without overheating.

Nineteen seventy-six can also be the year in *which the prolonged* decline in the relative performance of Britain's manufacturing industry is stemmed and reversed. Indeed progress on *this front will greatly improve* the chances of lasting success in meeting the cyclical problems.

Whether success is in fact achieved in either of these fields will not depend on Government alone, but also on both sides of industry and *on our financial institutions. The past twelve* months show what can be achieved when all four of these partners start working together. *Our external deficit has been only half that of* 1974, and since July the rate of inflation has fallen by well over half. In 1976 continued *observance of the £6 limit on pay increases* can bring our inflation down to single figures. Though as recovery gets under way we shall *be hard put to it to continue reducing* our external deficit at the same rate, we must aim at achieving balance on our current *account at full employment within the next* three years or so.

There are now multiplying signs that the recession may have bottomed out in Britain as in other industrial countries. In 1976 we can expect some growth of output, accelerating towards the end of the year. But there will be a time lag of some months between the increase in output and the fall in unemployment. The degree of national unity so painfully achieved over the past twelve months could melt away if working people come to feel that society no longer attaches great importance to their right to work. No one will gain if the trade unions lose confidence in the British Government.

We must therefore do everything we can to *accelerate recovery in Britain and to shorten* the time lag between the recovery in output and in employment, without adopting measures which would increase our external deficit beyond the possibilities of financing it, or would set inflation roaring up again. Increased exports and import substitution are one road open to us. The other is the creation of new manufacturing capacity through more training and investment. Although some of the new capital equipment will certainly have to be imported, increased investment is now so widely recognised to be *essential* that the improvement in domestic and foreign confidence it generates will outweigh the immediate effect on the *balance of payments.*

The scope for raising exports is steadily *increasing.* The effective depreciation of sterling over the last year means that our exports are competitive in price, and the *Government has* recently improved facilities for export credits. But there is still room for improvement in the quality, availability *and marketing* of British exports, as any visitor abroad can testify.

Indeed those who believe that price is the critical element might reflect on the steady increase in Germany's exports to Britain over recent years when the Deutschemark has been steadily rising against sterling. We are unlikely to achieve a sustainable balance in our external account unless we can regenerate our manufacturing industry as was agreed at Chequers in November. This is not just a matter of picking winners and slaughtering lame ducks, as some commentators pretended. It is necessary simultaneously to halt the steady contraction of our manufacturing base and to improve its structure and performance without losing *the confidence of either workers or employers* —not a simple task.

That is why during the *recession* we have taken emergency action to preserve the productive capacity of the economy even though *it cannot be fully used at present. If a* firm has a viable future, the Temporary Employment Subsidy can enable it to retain *its workforce, and temporary controls on* imports, whether unilateral or negotiated, may enable it to survive the recession. We have also acted directly on the labour market, particularly to help school-leavers escape the demoralisation of unemployment.

In 1976 one of our most important tasks will be to ensure that our industry is able to meet the high levels of demand we must *expect both at home and abroad in the following years without the overheating and* bottlenecks which frustrated recovery in 1973. Early action here *will have a double* value by reducing unemployment in the short run as well as providing new capacity *and new jobs for the future.*

The Government will continue to provide all the money which can usefully be absorbed in officially sponsored training schemes. But private employers should do far more if they are not once again to suffer from shortages of skilled manpower in 1977.

Similarly the Government has been helping to bring forward investment wherever it is likely to reduce bottlenecks, as with the ferrous foundry industry and machine tools. But too many firms cling to the irrational tradition of investing only at the top of the cycle so that the new capacity is onstream only when the cycle has swung downwards.

The time for investment is now. In the national interest we want to take the top off the next boom and use it to fill the trough of the present recession. We also want our maximum capacity in operation at the peak, and not after the peak is past. The interest of individual firms is the same. And the conditions are now ripe. Although profitability is low, it should improve in 1976. Company liquidity is much better than a year ago, partly as a result of my tax relief on stock appreciation. External funds for industrial investment are also generally available. A large and welcome infusion of new money was subscribed for Ordinary shares in 1975. The banks are ready to lend, as is the enlarged Finance for Industry.

In addition the Government has introduced its own scheme for accelerating investment through financial help on special terms where its criteria are met. This scheme gives exceptionally good value for money and I want it to go as far as the traffic will bear. As in the case of exports, here is an opportunity for firms to do good for themselves and for the economy as a whole. I ask any manager who reads this article to consider whether he knows of any worthwhile investment project which could be carried through faster if finance were available.

I have stressed exports and investment in this message. These are the sectors through which recovery must come. It is in these *sectors that many of my readers have the* power to act themselves.

Meanwhile the Government must make sure that there is room in the economy for the necessary increase in exports and investment. That is why we have pledged ourselves to prevent any significant increase in public expenditure programmes after this year, and to ensure that the public sector borrowing requirement falls steadily as a proportion of our national income.

These are hard decisions for a Labour Government and for myself as Chancellor. But trade unions and employers alike agreed at Chequers that first priority must now go to the improvement of our manufacturing industry even at the expense of our social objectives. The will to maintain this priority will depend critically on the readiness of those concerned to take advantage of the *opportunities it offers them. I hope that in* 1976 readers of the Financial Times will give a vigorous and sustained response.

DENIS HEALEY

Prospects for the U.K. economy in 1976 on Page 10; the U.S. economy on Page 11; views of leading industrialists. Page 6.

BSC firm on economies —'44,000 jobs must go'

BY JOHN ELLIOTT, LABOUR EDITOR

THE BRITISH Steel Corporation yesterday confirmed union leaders' worst fear about its future plans when it told them that it wants to cut its workforce by about 44,000 in the next two years *to help offset a mounting* financial loss which it expects to be running at £8.4m. a week next month.

In addition, the Corporation has officially increased the figure *of £170m. which it wants to save* on costs in the coming year to £200m., because it expects to have to bear some £26m. increased costs in the next three months.

Against this background, the *Corporation refused to back* down on its package of economies which is being strenuously *opposed by the unions. It will* start implementing the package next Sunday when it will begin eliminating expensive premium shift working.

The Corporation also stressed that all that would be needed for the 44,000 jobs to be eliminated from its 220,000 total would be for the unions to agree that no steelworks should be allowed to replace workers who leave the industry during the next two years.

But the Corporation's negotiators, *led by Mr. Bob Scholey,* chief executive — after being chided by union leaders that they were only the mouthpieces of "faceless men" on the Corporation's Board — did agree that their economies package would be reviewed at a meeting of the Board next Monday.

With the unions offering *nothing concrete enough on cost* savings to satisfy the Corporation, however, Mr. Scholey warned last night that he would have to scratch his head very hard to find any way of justifying the Board taking a softer approach.

The two sides of the industry therefore seem set on a collision course, with the unions warning of "chaos" and industrial action when the package is implemented, especially when guaranteed week pay arrangements are stopped *for workers with less* than five years service on January 11.

Warning that the Corporation should remove its package or "face the consequences," the *industry's leading union official,* Mr. Bill Sirs of the Iron and Steel Trades Confederation, said that

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PUBLISHER'S NOTICE

The Financial Times, in common with other national daily newspapers, will not be published on New Year's Day, January 1.

Days lost by strikes down 60%

BY ROY ROGERS, LABOUR CORRESPONDENT

THE NUMBER of working days lost through industrial disputes in the first 11 months of 1975 was down by almost 60 per cent. on the previous year and, at 5.8m. was the lowest since 1968.

These statistics are published to-day in the December issue of the Department of Employment Gazette which also shows that the *1974 strike losses, which include* the miners' strike, pushed the U.K. up from eighth to fifth *place in an international strikes'* league table covering 17 industrial nations.

Canada, Australia, Italy and the U.S., all lost more working days than the U.K. in 1974 with the most dramatic jump in strike losses coming in Canada where *some 2,260 were lost per 1,000* workers, compared with 1,650 a year earlier and in Australia where 1973's 1,030 figure leapt to 2,510.

The U.K. figures during the same period rose from 570 to 1,270. This compares with France, which saw its losses reduced from 330 to 250, West *Germany where losses rose from* 40 to 60 per 1,000 workers, and Japan where losses more than doubled from 210 to 450.

The improvement in U.K. strike losses, influenced no doubt by the state of the economy and rising unemployment levels, will probably be reflected when the next international comparisons are made.

The 11-month number of days lost in 1975 compares with 13.9m a year earlier and was the lowest *total since 1968 when 4.5m. days* were lost.

A total of 212,000 days were lost in November, the lowest figure for the month for nine years while at 41,300 the number of workers involved in strikes during the month was the lowest since 1962.

£ in New York

—	Dec. 29	Previous
Spot	[illegible]	[illegible]
1 month	[illegible]	[illegible]
3 months	[illegible]	[illegible]
12 months	[illegible]	[illegible]

Chrysler plan gaining acceptance

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

RESISTANCE BY shop stewards to the Government's £162m. plan for putting Chrysler U.K. on its feet and saving 17,000 out of 25,000 jobs began to crumble *yesterday in the face of the* ultimatum that no money will be made available until employees have accepted the plan in principle.

The deadline is Saturday. In day-long meetings on Monday with union leaders and senior shop stewards in Coventry, the company disclosed that, after the end of this month, *it would have* so little money that it could not keep its factories running—and *its U.S. parent* was unwilling to bail it out again.

Termination

It is apparent that the *company's own* financial position rather than the Government has set the deadline. In a letter sent *to* Chrysler U.K. on Christmas Eve and released for publication yesterday, the Department of Industry has steered clear of establishing any specific date for implementing the rescue programme.

Nevertheless the letter spells out in no uncertain terms the Government's view that support *for Chrysler U.K. is dependent* on reductions in manning and improved productivity.

No agreement will be signed until the Government has an assurance of improvement and if there are difficulties it will review the situation with Chrysler U.K. and the Chrysler Corporation to decide whether the scheme should be terminated.

"In such circumstances Her Majesty's Government would not expect to be committed to advance further loan funds pending the outcome of the review."

The truck and van factories at Luton and Dunstable, where about 250 out of 3,000 workers are due to go, were the first to accept the scheme. Yesterday a meeting in Coventry of Stoke engine plant employees voted to follow suit after senior stewards told them the management was prepared to see if the impact of dismissals could be mitigated by some form of work-sharing.

The stewards said that, unless the plan received acceptance quickly, Chrysler could be out *of business by this time next* week. All the same, the resolution was almost drowned by cries of "Rubbish!" and "You've sold us down the river!"

A few *minutes* earlier, workers from the nearby Avenger car factory at Ryton had voted to start talks with management to-day on ways of reducing the impact of redundancies, which affect about 2,500 of the plant's 4,600 workers. They will meet *again on Friday to decide* whether or not to go along with the concept of the rescue plan.

The shop stewards co-ordinating committee at the remaining big plant at Linwood, Scotland, met yesterday on their return from Coventry to discuss their next steps. They will meet all the shop stewards to-day.

It is believed that, if they are prepared to concede that some

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FEATURES

ON OTHER PAGES

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CINEMAS ARE CONTINUED ON PAGE 8

LOMBARD

The service 1975 has performed

BY C. GORDON TETHER

"HIS SIMPLE message of love," said the Queen, referring in her Christmas broadcast to the fact that the celebrations revolved around the birthday of a child born nearly 2,000 years ago, "has *been turning the world upside down* ever since." So, indeed, it has. But not nearly enough in the meaningful sense—to judge by the scene that confronts us at the present time.

And one good thing that can be said about 1975 is that it has driven this home by demonstrating that we are going to have to adopt a much less self-centred approach to the way in which we run our world—if, that is, we are ever to get anywhere nearing giving an adequate response to that "simple Christian message."

It is true to say that Christ's "*message of love*" *has long* since directly or indirectly penetrated all those countries on which the main responsibility for ordering the world's affairs has come to rest. And lip service is regularly paid to the need to apply it — not only at expressly religious gatherings but also on *public occasions of all kinds.*

Too often, unhappily, that is as far as it goes. Certainly it can hardly be said that those fortunate enough to live in these privileged places have paid much heed to the obligation it imposed on them to ensure that the distribution of the good things of life *was arranged in more* equitable fashion.

A good half of the Earth's population still lives in conditions that are hardly better — and are sometimes materially worse — than those which were the lot of the under-privileged when Christ unfolded His dream of a new world order. Yet the affluent countries' official contribution to the relief of overseas poverty has barely reached half the minimum objective of 0.7 per cent. of gross national products they set for themselves five years ago. And no one can say that this target was anything but a pretty mean one bearing in mind the immensity of the gap now separating their living standards from those of the rest of mankind.

The failure of Christ's "message of love" to turn things upside down in sufficiently robust manner where the relations between the affluent countries and the rest are concerned is, however, an old story. What makes the past year's experience of special significance is that it has shown that our present system cannot even be relied upon to serve the best interests of the mass of the people in the regions which it has traditionally pampered.

Built-in weaknesses—themselves traceable in major degree to persistent disregard of the *simple moralities that Christ* taught—have resulted in it getting itself into a tangle from which it is clearly going to have the greatest difficulty in extricating itself. Moreover, it is no exaggeration to say that the adverse impact of the new turbulence on the quality of life of ordinary people has been little short of traumatic. In addition, many of them are being asked to make tremendous personal sacrifices to prevent things getting worse than they are already.

Vigorous efforts are, of course, being made to play down the implications of the 1975 story and equally vigorous efforts to patch up the existing system to a sufficient extent to put it in a position to hobble along a little longer before the truth of what has happened can no longer be concealed.

But it would be far better if the moral of the latest turn in the world's story — that our universe cannot continue to allow "market forces" to play such a dominant part in shaping its affairs if it wants to pay more than lip service to Christ's teaching — was recognised now. For the task of evolving the new world order we obviously require could then be put in hand without further delay. And, in this matter, time is assuredly not on our side.

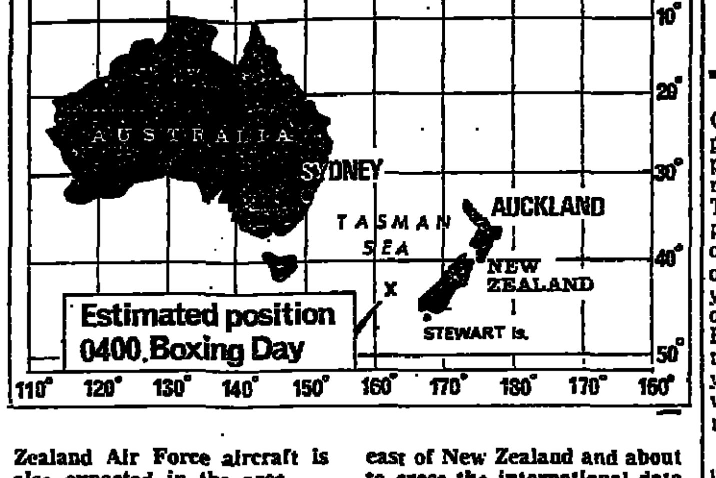
The call which Dr. Coggan, the Archbishop of Canterbury, made a couple of months back for the abandonment of materialism and a return to God has come in for a good deal of criticism—some of which it doubtless deserved. But he was certainly proceeding on the right lines when he stressed that there was little hope of devising satisfactory answers to our economic troubles at home until the whole debate was lifted into the moral sphere.

The same is undoubtedly true of its international counterpart. The politicians and the bureaucrats can doubtless do something to alleviate the parlous condition of the Third World's peoples by improving the functioning of the global economic system. But relations between the "haves" and "have nots" are not going to be turned "upside down" in the way that Christ's teaching demands until we recognise that moral considerations rather than economic ones ought to be our guide.

Search starts for Kriter

BY ALEC BEILBY

HOBART, Tasmania, Dec. 30.



A FIRST air search for Kriter II, French contender in the Financial Times Clipper Race, ended last night without success.

Kriter was last heard of on Christmas Day when she reported that she was struggling with broken rudder gear in the Tasman Sea.

She was then about 300 miles from Australia, having just begun the second leg of the Clipper Race back to England.

Her steering gear went three hours after she passed the British entry Great Britain II.

The British yacht stood by for several hours, but the French insisted that she should continue on her way and Kriter was last seen heading back to Australia.

She radioed that she expected to reach Sydney within a week. Nothing has been heard from her since.

An Australian Air Force Hercules which searched an area midway between Sydney and New Zealand returned to its base last night.

The search is being continued to-day by an Australian Air Force Orion reconnaissance aircraft. A similar New Zealand Air Force aircraft is also expected in the area.

Warships and merchantmen in the area are keeping round-the-clock radio watch.

Those co-ordinating the search say that in spite of the vast area of sea and the comparatively small size of Kriter, conditions are favourable and everything points to the search being successful.

●Great Britain II reported to the London race office at midday yesterday that she was approximately 650 miles south-east of New Zealand and about to cross the international date line.

Sale of yachts

A COLLECTION of second hand yachts is to be auctioned at St. Katharine's Yacht Haven near Tower Bridge, London, on January 6, by Mr. Peter Wilson, chairman of Sotheby Parke Bernet. The oldest yacht is a 77-feet ex-trading ketch built in 1913.

RACING — BY DOMINIC WIGAN

Conditions suit Floating Pound

FRED WINTER, whose Uplands, Lambourn stable has had mixed fortunes at Cheltenham in recent years, saddles both *Floating Pound* and *Sonny Somers* for the Old Year Chase (2.25) there to-day, and it will be interesting to see which the punters choose.

My preference is for Mrs. Enid Boucher's progressive six-year-old Floating Pound, the mount of John Francome, who took this event a year ago through the Richard Head-trained Rathvilly.

Floating Pound, who began the campaign with a promising run at Newbury in mid-November, where he finished third behind Exhibit B and Early Spring in the Oxfordshire Chase, despite some sloppy jumping at some of the early fences, proved much sharper a week later when winning Chepstow's Embassy Premier Chase qualifier.

There, the Uplands gelding was always jumping fast and fluently, and from the time he took the lead at the third from home he never appeared likely to be troubled. Kept up to his work all the way, Floating Pound passed the post six lengths clear of Village Slave, with the odds-on Lord Browndodd the same distance away in third place.

CHELTENHAM
12.45—Line Shooter***
1.15—Buckingham
1.50—Uncle Leslie
2.25—Floating Pound*
3.00—Top Priority**
3.30—Bellbrae

CATTERICK
12.45—Toughie
1.15—Miltoy
1.45—*Hugo Duncan*
2.15—Morag's Parade
2.45—Fair Cop
3.15—French Warrior

WINDSOR (Thurs.)
1.30—Dan'l Widden
2.00—Comedy of Errors

Floting Pound, who will be well suited by the fast conditions, is taken to score at the main expense of veteran stable mate Sonny Somers and *The Dikler*, who is having his first outing of the season.

Even if he fails to score with The Dikler, Winter's neighbour, Fulke Walwyn, ought to have at least one winner, for *Line Shooter* has an easy task in the opener, Div. I of the Malvern Novices' Hurdle (12.45).

An eight-lengths runner-up to the season's leading juvenile, Tiepolino at Sandown a month ago, where he would have been considerably closer had he not slipped on landing at the last flight, Line Shooter is likely to have this race sewn up some way from home.

Looking ahead to Thursday's racing programme one of the banker bets should be *Comedy of Errors*, who will be trying to gain compensation for his luckless Irish Sweeps Hurdle run in Windsor's £6,000 New Year's Day Hurdle.

Comedy of Errors, none the worse for the bad bump he received on the run-in to the penultimate flight at Leopardstown, has been well laid in the last two days for the Champion Hurdle on March 17, and victory at Windsor will give his many supporters renewed confidence.

GARDENS TO-DAY

Questions and answers

BY ROBIN LANE FOX

GARDENERS always have problems, but a selection of the problems and questions sent to me recently from Financial Times readers are the sort of problems which confront me so often that I would like to round off 1975 by discussing them. If you still think that you are one of the few who do not buy the Financial Times solely in order to find the price of copper bars, you should consider the questions which trouble your fellow-readers.

It has yet to be said that the ultimate reason for Britain's alleged "collapse" is the refusal of managers and investors to think only in economic terms, uninfluenced by social, gentlemanly or horticultural pressures. Yet I have the picture of many high bastions of business where the best variety of shrub rose is as pressing a topic as the fluctuations of the dollar.

Consider the problem of the director who writes to say that he gardens on limestone in the Cotswolds, which are exposed to frost and wind. He wants one variety of flowering shrub, about 4 feet high, which has a long season, sweet scent and worthwhile flowers. He does not care about the leaves, believing that the fashion for foliage has been started only by those who have forgotten what proper gardening is about.

An excellent small shrub

An ambitious request because scent, season and flower are not easily combined. It is made more difficult as he adds a postscript to say that winter flowers are as wasted on him as foliage, winter being his season for sport, so I cannot tell him to plant mahonia. Potentillas are not scented, so I would turn to the admirable small lilac, *Syringa Microphylla Superba.*

Catalogues tend to list two varieties of small lilac, often confusing their precise names. It is important to buy this one, not the one called *Velutina* (or *Palibiniana*) which flowers only in May. The longer name describes a small-leaved bush, about 4 feet high, which bears short, upright panicles of rose-pink flowers from May until September. The flowers are scented, the season is long and there are no problems in its cultivation. An excellent small shrub, even if you prefer fine leaves. Do not miss it.

Further north, a lady from Yorkshire is as bewildered as I am by the spate of new varieties of hybrid roses. She has been reading The Dictionary of Roses in Colour, and, brave spirit, she describes the last hundred or so pictures of the new roses as a *portrait-gallery of orange* barbarians. I agree, but she feels that there must be some civilised modern roses.

Of course there are, and although I am not familiar with the full range, I know that I like the pinkish floribunda Chanelle, which is mercifully low-growing (I do not like tall spindly roses), scented, well shaped and extremely resistant to rain. Its colour is the sort of pink which makes me feel for such pleasant adjectives as peach, apricot, cream and buff.

Growing small plants

I also like two moderately tall hybrid teas with white flowers: Pascali, whose ivory-white flower has a flesh-pink flush in its centre and Message which is purer and chillier, opening a greenish white and fading to a pure white. Of course both are scented and they pick well.

There are others, but before you think that modern rose-breeders have not added much of value, I must say that I bless the day when they bred the shrub rose Nevada. About 7 feet high, abundant single white flowers in June and August: this and the single yellow Golden Wings, are my favourite shrub roses for any garden.

One could follow the by-ways of roses through your questions for several weeks, but I am attracted by the request of a gentleman with a very small garden and a very aged back. He lives in Somerset and wants to experiment with a raised garden in an old sink, trough or bath. A most sensible plan, for there is a whole lifetime's interest in growing small plants, in these small containers at eye-level.

For advice on suitable plants and an ingenious method of faking your own "stone" sinks, I strongly recommend a booklet published by the Alpine Garden Society whose distribution manager lives at 278/280 Hoe Street, Walthamstow, London E17 9PL: *Alpines in Sinks and Troughs* (50p) is written by Joe Elliott, whose father popularised the pursuit. You can raise the sink to save your back muscles.

Two bankers in London, it seems, want extremely quick growth up a west-facing wall: the large-leaved vine, *Vitis Coignetiae*, or the rampant *Clematis Spooneri* (like a Montana, but even faster) will see *them through*, though the latter needs a very high wall or a wide expanse of tin roof. It grows ten feet high in a year.

A lady, unidentifiable, in Surrey wants some azaleas "with a difference": she might try the semi-evergreen hybrids between the azalea and the rhododendron which are known to admirers as "Azaleodendrons." Two of these very tough shrubs seem to me to be excellent. Galloper Light flowers in late May, shading through white, cream and pink: it was raised at Exbury and is a fine late shrub in the style of an Azalea.

"Glory of Littleworth" is the best of all, a small shrub with upright branches and three-inch long leaves which tend to curl up prettily. Its flowers are scented and fade from white to yellowish-white with a dark blotch.

It is five years since I helped a friend to mass these varieties with the white azalea "Palestrina" and the scented rhododendron "Viscosum" aptly known as the Swamp Honeysuckle, on a gentle slope above his back yard. Looking back on them now, I do not think we could have chosen more happily from such a large family.

The London back garden

Other problems are less amenable, not least the recurrent problem of the London back garden, where there is bad soil, no light and a nest of cats. The answers here tend to come from decorators or imaginative interior designers, for I cannot claim to have ever seen a dark town garden which has seized my attention as a garden of fine plants. Spurges, lily of the valley, ladies' mantle, bamboo, Japanese honeysuckle, fatsia and the indestructible bergenias are certainly better than nothing.

To all you owners of these and other intriguing problems I wish a happy year's gardening for 1976: whatever your local soil or prospect, let us hope for less eccentric weather than the mildness, late frost and drought of 1975, the year, above all else, of the courgette and the outdoor cucumber.

TV AND RADIO PROGRAMMES FOR TWO DAYS

TO-DAY

BBC 1

† Indicates programme in black and white.

9.40 a.m. Scooby Doo. 10.20 Before the Ark. †10.50 Laurel and Hardy in "Chickens Come Home." 11.20 Holiday Star Trek. 12.10 p.m. Password. 12.35 The Edinburgh Military Tattoo 1975. 1.35 News. 1.45 Teddy Edward. 1.50 The Mister Men. †2.00 Charlie Chaplin in "Modern Times." 3.20 Pluto. 3.30 Animal Marvels. 3.58 Regional News (except London). 4.00 Huckleberry Hound and Yogi Bear. 4.15 Jackanory. 4.30 Screen Test. 4.50 Striker.
5.15 News.
5.25 Tom and Jerry (London and South-East only); Regional News (all other English Regions).
†5.30 "Just My Luck," starring Norman Wisdom and Margaret Rutherford.
6.50 The Superstars.
7.50 The Ken Dodd New Year's Eve Special.
8.40 "Trapeze," starring Burt Lancaster, Tony Curtis and Gina Lollobrigida.
10.25 News.
10.30 Max Bygraves Says "I Wanna Tell You A Story."
11.45 For Auld Lang Syne.
12.50 a.m. Prologue.

All Regions as BBC 1 except at the following times:—

Wales—10.50-11.20 a.m. Campau (sport). 4.50-5.15 p.m. Sinderella. 5.25-5.40 Wales To-day. 5.40-6.30 Disney Time. 6.30-7.15 The Donny and Marie Show. 7.15-7.45 Pobol y Cwm. 7.45-7.50 Newyddion.

Scotland—5.25-5.30 p.m. Scottish News

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 5.25-5.30 Northern Ireland News.

BBC 2

10.30 a.m. Nai Zindagi Naya Jeevan.
11.00 Play School.
5.50 p.m. Golf '75.
6.50 Signals from the Interior.
7.50 Three Men In A Boat by Jerome K. Jerome.
8.55 News on 2.
9.00 The Vera Lynn Show.
9.45 Women—Which Way Now?
10.25 Happy Birthday, Columbia.
11.30 Watchnight Service.
12.00 Big Ben.
12.30 a.m. Old Grey Whistle Test.

LONDON

9.30 a.m. Out of School. 11.00 Felix the Cat. 11.10 Robert. 11.30 On Safari in Dumfriesshire. 12.00 The Adventures of Rupert Bear. 12.10 p.m. Rainbow. 12.30 Mr. and Mrs. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Rooms. 3.00 About Britain. 3.25 Looks Familiar. 3.55 General Hospital. 4.25 How. 4.50 Boy Dominic. 5.20 The Flintstones.
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 This Is Your Life.
7.30 Coronation Street.
8.00 "Wait Until Dark," starring Audrey Hepburn.
10.00 News.
10.15 A Touch of the Casanovas.
11.00 New Year's Eve at the Wheeltappers and Shunters Social Club.
11.45 Hogmanay.

All ITV Regions as London except at the following times:—

ANGLIA

11.00 a.m. The Merrie Melodies Show. 1.25 p.m. Anglia News. 2.00 Houseparty. 5.20 Hogan's Heroes. 6.00 About Anglia. 12.40 a.m. A Message for the New Year.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 ATV To-day I, including Junior Police Five. 6.00 ATV To-day II.

BORDER

12.30 p.m. Untamed World. †3.20 Border News. 3.25 The Adventurer. 5.20 Cartoon Time. 5.00 New Year's Eve. 6.00 Border News and Lookaround.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On, Where? 5.20 Supersonic. 6.00 Channel News. 6.10 The Amazing Chan and the Chan Clan.

GRAMPIAN

11.10 a.m. *New Channels For Sockeye.* 1.20 p.m. Grampian News Headlines. 5.20 Thrillseekers. 5.45 Police Newsroom. 6.00 Grampian Today. 11.30 Ring in the New. 12.30 a.m. Evening Prayers.

GRANADA

11.00 a.m. Neighbours. 11.20 There's Nothing Like A Big Brass Band. 1.20 p.m. This Is Your Right. 5.15 Take Keer. 5.20 Crossroads. 6.00 Granada Reports. 6.30 University Challenge.

HTV

12.30 p.m. Bygones. 1.20 Report West Headlines. 1.25 Report Wales Headlines. 2.30 Houseparty. 5.20 Orbit 5. 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 Wynford's Wales.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.25-4.50 Rhifeddodau. 6.01-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.01-6.30 Report West.

SCOTTISH

11.00 a.m. Choir of the World. †1.25 p.m. Road and Weather Report. 2.00 Houseparty. *5.20 Calimero.* 5.25 Crossroads. 6.00 Scotland To-day. 6.30 University Challenge. 12.37 a.m. Late Call.

SOUTHERN

11.00 a.m. Wait Till Your Father Gets Home. 11.25 Two Crews from Tacos. 1.20 p.m. Southern News. 2.00 Houseparty. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day by Day.

TYNE TEES

9.25 a.m. Starting Point. 11.00 Curly and Coconut. 11.05 Here Comes the Future. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 5.20 Today Before Six. 6.00 Today At Six. 12.40 a.m. Epilogue.

ULSTER

11.00 a.m. Look Up. 1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.23 Ulster News Headlines. 5.20 Out of Town. 6.00 UTV Reports.

WESTWARD

11.00 a.m. The Woody Woodpecker Show. 12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines 5.20 Supersonic. 6.00 Westward Diary.

YORKSHIRE

11.00 a.m. Cartoon Time. 11.10 Donald of the Colours. 12.30 p.m. Bygones. 1.20 Calendar News. 5.20 Calendar. 6.00 Calendar.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF) 4.30 It's DLT OK! 5.45 Newsbeat. 6.02 It's DLT OK! (continued). 7.00 Just Rosko and You. 10.00 Paul Burnett: Pop into 76. 12.30-6.00 a.m. As Radio 2

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S), including 6.15 Pause for Thought. 7.02 Terry Wogan (S), including 8.02 Test Cricket: Australia v West Indies, report. 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S), including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S), including 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m only (202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. *4.47 Sam Costa (S), including 5.45* Sports Desk 6.45 Sports Desk. 7.02 Pros and Cons (S). 7.30 Holiday in Disneyland. 8.02 Charlie Chester presents his 1975 awards (S). 9.02 Sing Something Simple (S). 9.30 All Time Hit Parade (S). 10.30 Pop Into Europe 76. 11.50 Over to Scotland. 12.00 Big Ben 12.30-6.00 a.m. Jean Challis and Ray Moore All Through the Night (S).

RADIO 3 — 464m and VHF

7.00 a.m. News. 7.05 Your Midweek Choice, part 1 (S). 8.00 News. 8.05 Your Midweek Choice, part 2 (S). 9.00 News. 9.05 This Week's Composer. Rossini (S). 9.50 Vienna Festival 1975, part 1 (S). 10.10 Magaloff reminisces about gramophone records. 10.20 Vienna Festival, part 2. 11.15 Music for Organ (S). 12.00 Midday Prom, part 1: Verdi, Vaughan Williams (S). 1.00 p.m. News. 1.05 Midday Prom, part 2: Rachmaninov (S). 1.40 Joaquin Achucarro piano recital, part 1: Hoddinott, Brahms (S). 2.25 Words . . . Cardow Robinson. 2.30 Recital, part 2: Falla, Scriabin, Ravel (S). 3.25 Mozart concert, part 1 (S). 4.10 Interval Reading. 4.14 Mozart concert, part 2. 5.00 Choral Evensong. 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: Language and Communication. 7.30 Arturo Toscanini Conducts the NBC Symphony Orchestra: Brahms, Debussy. 8.15 The Arts Worldwide. 8.35 Arriaga chamber music concert (S). 9.10 Scientifically Speaking. 9.55 Bach's B Minor Mass (S). 11.55 News. 12.00 Big Ben: Welcome to 1976.

RADIO 4 — 434m, 330m, 285m and VHF

† Medium Wave only

6.20 a.m. News. 6.22 Farming Today. 6.40 *Prayer for the Day.* 6.45 Today, including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today, including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today, including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 The Joyous Adventures of Aristide Pujol. 9.00 News. 9.15 The Living World. 9.35 Down the Thames with Johnny Morris. 10.00 News. 10.05 In Britain Now. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Home to Roost. 11.30 Thirty-Minute Theatre (S). 12.00 News. 12.02 p.m. You and Yours. 12.27 Top of the Form. †12.55 Weather, programme news. VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour, including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 Boys and Girls Come Out to Play. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Petticoat Line. 6.45 The Archers. 7.00 News Desk. 7.30 Hattie's Music Hall. 8.00 A Place of One's Own, by Osbert Sitwell. 8.45 Great Ciegoldi. 9.15 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight: News. 10.45 A Book at Bedtime. 11.00 Stop the Week with Richard Baker. 11.30 Watchnight Service. 12.00 Into the New Year with Richard Baker, with the motto "Carry On Surviving."

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 8.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 206 Showcase. 4.03 Sound Out. 4.32 Home Run including 5.00 and 6.00 London News Desk. 8.00 Quest. 8.30 Soul 206. 10.03 Robbie Vincent's Late Night London. 12.00 As Radio 2.

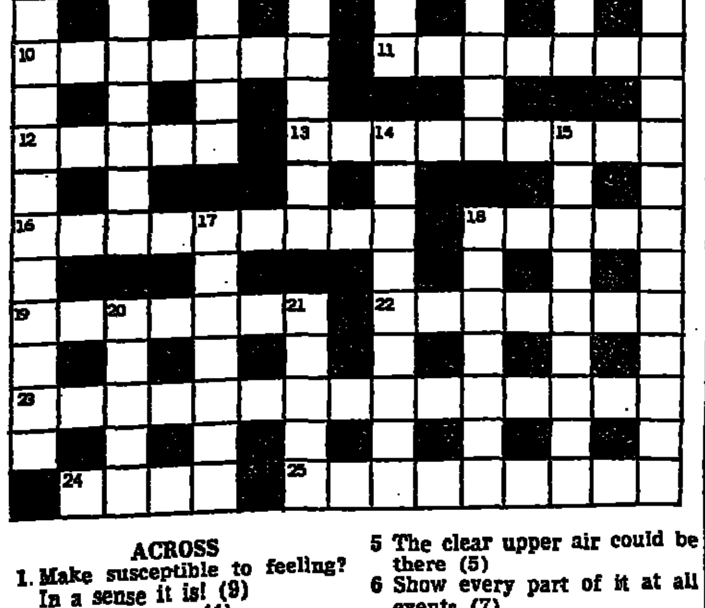
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 AM: non-stop news, information, travel, sport, reviews. 10.00 George Gale—talking to London. 12.00 Newswatch. 1.00 p.m. Newswatch—second edition. 5.00 Newsbreak. 7.30 Jazz in Stereo. 9.00 Robin Houston's Nightline. 1.00-4.30 a.m. Nightwatch (news every half-hour).

Capital Radio — 194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions. 12.00 Cash On Delivery with Peter Young. 3.00 p.m. Roger Scott. 7.00 Nicky Horne and Tony Myatt invite you to a special New Year's Eve party. 1.00 a.m. Ian Davidson starts the New Year with Night Flight.

F.T. CROSSWORD PUZZLE No. 2,967

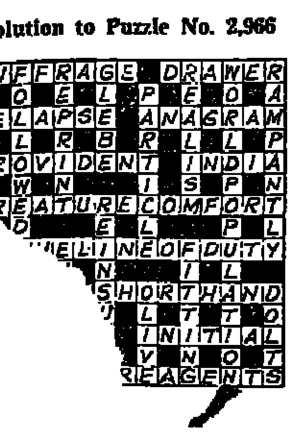


ACROSS

1 Make susceptible to feeling? In a sense it is! (9)
6 Wine to pawn (4)
9 Revelling in existence at the North Pole (2, 3, 2, 3, 5)
10 Textile worker who wouldn't do one a good turn...(7)
11 ...and turn again to ponder (7)
12 Soldier returning in vehicle for a smoke (5)
13 Bring in worker of great consequence (9)
16 Printing type without equal (9)
18 Have recourse to come up again (5)
19 I'm taking beans—it's a sudden urge...(7)
22 ...and soaks for which I'm taking lots of beer it's said (7)
23 F... per- ...this

5 The clear upper air could be there (5)
6 Show every part of it at all events (7)
7 The girl to sing (5)
8 Notice attempts followed by a Conservative to give a type of literature (9, 5)
14 Discard a thing and be successful (4, 2, 3)
15 Airman caught out with revolutionary is dressed to kill (9)
17 One liar could make a flap (7)
18 To cross this Italian stream is an irrevocable step (7)
20 Copy in public relations now being looked at (5)
21 Go wrong or make a mistake (5)

Solution to Puzzle No. 2,966



NEW YEAR'S DAY

BBC 1

† Indicates programme in black and white.

9.20 a.m. Trumpton. 9.35 Scooby Doo. 10.15 Before the Ark. †10.45 Mack Sennett comedy, and Bugs Bunny. 11.00 Holiday Star Trek. 11.45 Password. 12.10 p.m. News.
12.15 New Year's Day Grandstand: Football Focus (12.20); Racing *from Cheltenham* (12.35, 1.10, 1.40); Ski Jumping (12.55, 1.25, 2.05); Indoor Hockey (2.05).
2.45 "The Court Jester," starring Danny Kaye.
4.25 Deputy Dawg.
4.30 Jackanory.
4.45 Blue Peter.
5.15 Charlie Brown.
5.40 Magic Roundabout.
5.45 News.
6.00 Nationwide (London only).
6.15 Top of the Pops.
6.45 Bruce Forsyth and the Generation Game.
7.45 "Chisum," starring John Wayne.
9.30 Supermind.
10.10 News.
10.25 Frankie Laine in a special solo performance.
11.00 "Run A Crooked Mile," starring Louis Jourdan and Mary Tyler Moore.
12.35 a.m. Weather / Regional News.

All Regions as BBC 1 except at the following times:—

Wales—9.20-9.35 a.m. Chigley. 5.15-5.40 p.m. Bilidowcar. 5.40-5.45 Newyddion. 6.00-6.15 Wales To-day. 12.35 a.m. News and Weather for Wales.

Scotland—6.00-6.15 p.m. Scottish News and Scoreboard. 7.45-8.25 The World of Chic Murray. 8.25-9.15 A Dram For All Seasons. 9.15-9.30 Ne'er Day Sportscene. 12.35 a.m. Scottish News Summary.

Northern Ireland—6.00-6.15 p.m. Scene Around Six. 12.35 a.m. Northern Ireland News.

England—6.00-6.15 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (*from Norwich*); *Points West* (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

11.00 a.m. Play School.
2.45 p.m. The Camera and the Song.
3.35 Four Feet in the Snow.
4.25 "Bells Are Ringing," starring Judy Holliday and Dean Martin.
6.30 Signals from the Interior.
7.29 Weather.
7.30 Newsday.
7.45 New Year's Day Concert from Vienna.
9.00 The Two Ronnies.
9.30 Inside Story: Underneath the Archers: The Archers is 25 years old.
10.15 Film Night Special: Bette Davis in conversation with Tony Bilbow.
10.50 Women—Which Way Now?
11.35 News on 2.
11.40 Network.
12.10 a.m. Closedown: John *Gielgud reads "A New Year's Gift"* by Robert Herrick.

LONDON

10.00 a.m. Wait Till Your Father Gets Home. 10.20 Untamed World. 10.45 Animated Classics. 11.30 Second City, First Citizen. 12.00 *The Laughing Policeman.* 12.10 p.m. Rainbow. 12.30 The Year of the Wildebeeste. 1.25 News from ITN. 1.30 Crown Court. 2.00 "Take Her, She's Mine," starring James Stewart. 3.55 General Hospital. 4.25 The New Land. 5.20 Indoor League Championship of Champions.
5.50 News from ITN.
6.00 To-day.
6.25 Crossroads.
6.50 "*Carry On Again, Doctor,*" starring Kenneth Williams and Sidney James.
8.30 Love Thy Neighbour.
9.00 Clayhanger.
10.00 News.
10.20 This Week Retrospect 1975.
11.30 Orson Welles Great Mysteries.
12.00 Outlook '76.

All ITV Regions as London except at the following times:—

ANGLIA

9.55 a.m. The Three Worlds of Gulliver. 2.00 p.m. Feature Film: "Yours, Mine And Ours," starring Lucille Ball and Henry Fonda. 4.25 The Romper Room. 4.55 Spiderman. 5.20 The Geordie Scene. 6.00 Cartoons. 11.30 Twenty Nine. 11.55 A Programme for New Year's Day.

ATV MIDLANDS

10.30 a.m. TV Movie: "Emergency," starring Robert Fuller and Julie London. 12.30 p.m. If You're Not Winning, You're Not Trying. 2.00 Feature Film: "Seven Cities Of Gold," starring Anthony Quinn and Michael Rennie. *4.25 The Flintstones.* 4.50 Space 1999. 6.00 ATV Today. 11.30 Ian Knox.

BORDER

9.30 a.m. Cartoon Time. 9.50 "Press For Time," starring Norman Wisdom. †1.25 p.m. Border News. 2.00 "Stagecoach," starring Bing Crosby. 4.25 Lassie. 4.50 The Lone Ranger. 6.00 The Flintstones. 11.30 Wait Till Your Father Gets Home.

CHANNEL

2.00 p.m. Feature Film: "An American In Paris." 4.25 Yogi's Ark Lark. 5.20 The Beachcombers. 6.00 Channel News Headlines. 6.05 Cartoon Time. 11.30 The Zoo Gang.

GRAMPIAN

10.30 a.m. Donald of the Colours. 2.00 p.m. "An American in Paris." 4.25 The Hogmanay Show. 5.20 Batman. 6.00 Cresta Run. 11.30 Ski-ing with Gina. 12.00 Evening Prayers.

GRANADA

9.30 a.m. Sesame Street. 10.25 Holiday Matinee—Richard Greene and Peter Cushing in "Sword of Sherwood Forest." 11.45 Altster in Songland. 2.00 p.m. "The Pink Panther" starring David Niven and Peter Sellers. 4.25 Tarzan. 5.15 Dodo. 6.00 The Amazing Adventures of Mr. Magoo. †6.20 Command Performance. 11.30 Kung Fu.

HTV

2.00 p.m. "Esther and the King" starring Joan Collins and Richard Egan. 4.25 Tarzan. 5.20 Help! 5.25 Crossroads. 6.01 Rhubarb.

HTV Cymru/Wales—As HTV General Service except: 4.25-4.50 p.m. Bie Yn Y Byd . . . ? 4.50-5.20 King Kong.

SCOTTISH

9.30 a.m. All the World's a . . . 10.00 Animated Classics (Ivanhoe). 10.45 "Smuggler's Island" starring Jeff Chandler †12.00 p.m. Custard Pie Parade starring Stan Laurel, Buster Keaton, Pearl White, Charlie Chaplin. 3.25 S.N.O. Proms '75. 4.25 Sportsyear '75. 5.25 Crossroads. 6.00 Chicago Teddy-bears. 6.30 Without a Song. 11.30 Late Call. 11.35 The Streets of San Francisco.

SOUTHERN

†10.05 a.m. "High Hell." 11.25 Wild Life. 3.50 p.m. Sheep in the Deep. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day by Day. 11.30 Kung Fu. 12.25 a.m. Southern News Extra

TYNE TEES

9.20 a.m. Starting Point. 9.25 Fantastic Voyage. 9.55 Marco Polo. 10.40 The Battle for the Bulge. 12.35 p.m. Lord of the Islands. 1.05 In Celebration of Steam. 2.00 "An American In Paris," starring Gene Kelly and Leslie Caron. 4.25 Tarzan. 5.20 Tell Me Why. 6.00 Chopper One. 11.30 The Old Days. 12.00 Epilogue.

ULSTER

11.00 a.m. Look Up. 2.00 p.m. New Year's Day Matinee: "The Hunters," starring Robert Mitchum and Robert Wagner. 4.23 Ulster News Headlines. 4.25 Born Free. 6.00 UTV News. 6.05 Cartoon Time. 11.30 What's It all About.

WESTWARD

9.25 a.m. The Adventures of Seaspray. 9.50 Mysterious Island. 10.40 Riptide. 12.28 p.m. Gus Honeybun's Birthdays. 2.00 Feature Film: "An American in Paris," starring Leslie Caron and Gene Kelly. 4.25 Yogi's Ark Lark. 5.20 The Beachcombers. 6.00 Cartoon time. 11.30 The Zoo Gang. 12.25 a.m. Faith for Life.

YORKSHIRE

9.45 a.m. Hot Dog Ski-ing. 10.15 Swiss Family Robinson. 11.15 This Game of Golf. 2.00 "An American in Paris," starring Gene Kelly and Leslie Caron. 4.25 Tarzan. 6.00 The Flintstones. 11.30 Wait Till Your Father Gets Home.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 8.6 Ed Stewart (S) (also on VHF) with Junior Choice Hits of 1975. 10.00 The Bay City Rollers' 1976 New Year's Day Special. 12.00 Johnnie Walker. 2.02 p.m. Noel Edmonds (S) (also on VHF). 4.30 It's D.L.T. OK. 6.00 Sam Costa (S) as Radio 2. 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S) including 6.15 Pause for Thought. 8.03 Racing Bulletin. 8.05 As Radio 1. 10.02-12.00 Pete Murray's New Year Special (S) including 10.30 Waggoners' Walk. 12.02 p.m. Terry Wogan (S). 1.02 Rolf Harris welcomes the New Year (S). 2.02 Noel Edmonds (S) as Radio 1, but including on 1500m. only (also 202m. *Scotland*). 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk 4.45 Sports Desk 4.47 Sam Costa (S) including 5.45 and 6.45 Sports Desk. 7.32 Pop Score. 7.30 Folk 76 (S). 8.02 Folkweave (S). 9.02 Country Club celebrates the New Year (S). 11.02 Sports Desk (1500m. only also 202m. Scotland. VHF joins Radio 1). 11.05 Don Durbridge with The Late Show (1500m only, also 202m. Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

7.00 a.m. News 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 8.55 John Clare and Birdsong. 9.00 News. 9.05 This Week's Composer: Rossini (S). 10.00 New Year's Day Concert Willi Boskovsky (S). 10.50 Interval Reading. 1.00 p.m. News. 1.05 Beethoven piano recital, part 1 (S). 1.40 Interval Reading. 1.45 Beethoven piano recital, part 2. 2.40 Simon Boccanegra (Original 1857 version), opera in a prologue and three acts, music by Verdi: Prologue and Act 1 (S). 3.55 Julian Budden talks about the first version of the opera. 4.15 Simon Boccanegra, Acts 2 and 3. 5.15 Remote Past. 5.25 Pied Piper (S). 5.45 Chopin chamber music recital (S). 6.45 The Half-Open University (S). 7.15 Israel Philharmonic Orchestra, part 1: Mozart, Mahler (S). 8.05 Interval Reading. 8.10 Concert, part 2: Stravinsky. 8.50 The Novels of Brian Moore. 9.25 Cleo and John at Brighton, an evening with Cleo Laine and Johnny Dankworth, part 1 (S). 10.15 The Seven Deadly Sins. 10.35 Cleo and Johnny part 2 (S). 11.25-11.30 News.

RADIO 4 — 434m, 330m, 285m and VHF

† Medium Wave only

6.40 a.m. Prayer for the Day. 6.45 Today including 6.50 VHF Regional News 6.55 Weather, programme news. 7.00 News *and more of Today including 7.27 Sports*desk 7.45 Thought for the Day. 7.50 VHF Regional News 7.55 Weather, programme news. 8.00 News and more of Today including. 8.27 Sportsdesk. 8.45 The Joyous Adventures of Aristide Pujol. 9.00 News. 9.05 These You Have Loved (S). 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Attenborough Round the World. 11.50 A Journey of Imagination. 12.00 News. 12.02 *p.m. You and Yours.* 12.27 My Word! (S). †12.55 Weather, programme news. VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 3.50 Jack De Manio Precisely including 4.00-4.05 News. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report. VHF Regional News. 5.55 Weather. 6.00 News. 6.15 Just A Minute. 6.45 The Archers (25th anniversary). 7.00 News Desk. 7.30 Any Answers? 8.00 "Country Kate" by Sheila Stewart (award winner for the best radio feature). 8.45 Hall, Horrors, Hall (anthology of the macabre). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 Get on With It taken from "Kenneth Williams' Playhouse" series. 11.30 News.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 8.00 News. 8.05 New Year's Day Scene. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 206 Showcase. 4.03 Sound Out. 4.32 Home Run including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Rail. 8.30 In Concert. 10.30 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2.

London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 AM. 10.00 George Gale. 12.00 Newswatch. 2.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 Music in Stereo. 9.00 Robin Houston's Nightline. 1.00 a.m. Nightwatch (news every half-hour).

Capital Radio — 194m and 95.8 VHF

6.00 a.m. Kerry Juby with the first of the 1976 Breakfast Shows. 9.00 Roger Scott and Kenny Everett play the brand new London All Time Top 100. 4.00 Mike Allen wishes you all a Happy New Year with music. 8.00 Nicky Horne with his own brand of music. 11.00 Tony Myatt with his Late Show. 2.00 a.m. Night Flight.

1975: the year of the poor theatre

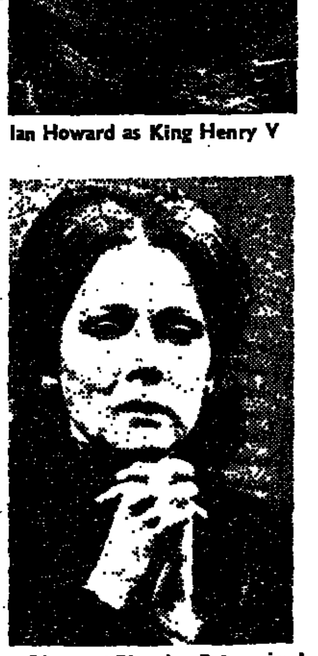
by B. A. YOUNG

/e all admire Grotowski: but fronted with the prospect of "poor theatre" we run eaming to the Arts Council more. In the subsidised atre the poverty has been enough throughout the r; we are constantly warned the impending closure of the

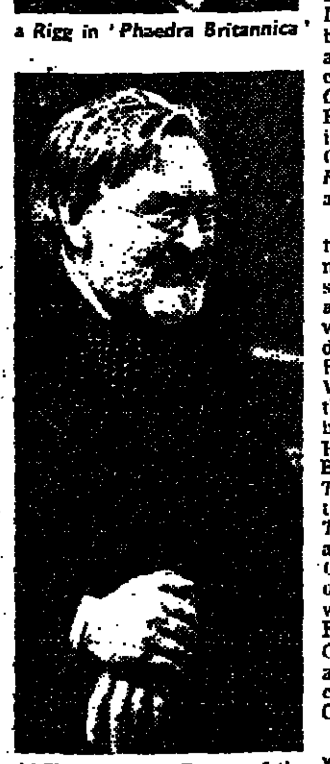
Gielgud in 'No Man's Land'

Anna Massey in 'Jingo'

Ian Howard as King Henry V



a Rigg in 'Phaedra Britannica'



ld Sinden in 'An Enemy of the People'

Mia Farrow as Ann Leete

Max Wall as Archie Rice

Aldwych, we witnessed the actual closure of the Theatre Upstairs. But to a critic from Mars, *I think the standard of our* theatre during the past 12 months would have borne all the outward signs of prosperity.

All the same, before going on with the congratulations, I must say a word for the tinies, the little experimental companies whose annual subvention wouldn't pay for the set for one act of *one play for the big boys*—companies like the Keskidee Centre, Solent Song and Dance Company, Off Fringe Theatre Company, Oval House, innumerable outfits who never get reviewed and seldom even mentioned in the national Press. When you are lucky to get £500 a year from the Arts Council and inflation has increased your expenses by 30 per cent, and there is no more money available for you, the problem is sometimes not how to go on, but *whether to go on.*

Having got that off my chest, I will go back to the theatre as we know it better on this page, beginning quite properly with the National.

A superb year for them. If it was a sign of economy to offer us the two-handed one-set *Happy Days* with Peggy Ashcroft and the four-handed one-set *No Man's Land* with Sir Ralph and Sir John, then long live economy. I did not much admire the Pinter piece, in which he seemed to be going back over ground too well-trodden already; but acting such as the knights gave us, and their henchmen Michael Feast and Terence Rigby, is something to remember for ever.

Economy showed nowhere else. *John Gabriel Borkman*, with Sir Ralph again and Dame Wendy Hiller; the magnificent *Heartbreak House*; Tony Harrison's fascinating adaptation of Racine in *Phaedra Britannica* and of Moliere in the revived *Misanthrope;* the delectable *Playboy*—for me they comprise a high straight flush in spades, *Engaged* and all (which no one but I seemed to care for), not to mention *Comedians*, wisely borrowed from the Nottingham Playhouse.

Of the National's *Hamlet*, with Albert Finney in the name part, I would rather not speak again. I will allow Granville Barker to speak for me: "Verse and prose were Shakespeare's sword and

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dagger. Let these rust or let them be ill-wielded, and no defensive armouring of a performance by scenery, costume, or even by well-thought acting *will avail.*"

The Royal Shakespeare Company have been more vocal about their poverty, and at the Stratford end of their axis it was visible in the reduced forces they committed in the *Henry IV* and *Henry V* sequence. Characters were excised and crowds dispensed with; only four people followed Hal to his coronation and three of those were family. No one watched but the Falstaff gang. Good productions, all the same, under Terry Hands; and a revival of the same director's production of *The Merry Wives* was most welcome.

But such luxuries at the Aldwych end! Last year's *Macbeth*, with Nicol Williamson, and *Love's Labour's Lost*, with Ian Richardson, from Stratford: a revival of *Travesties;* and then the novelties. No one much liked *Jingo* save myself: I have a great admiration for Charles Wood's writing and for his approach to difficult *subjects* like the fall of Singapore. This looked, and was, an expensive production.

It was followed by Granville Barker's *The Marrying of Ann Leete*, a play of great interest beautifully done with Mia Farrow as Ann. Next, a revival, strongly cast, of Shaw's *Too True to be Good*, which the indispensable Eddie Kulukundis has whisked into the West End; and finally Graham Greene's new play *The Return of A. J. Raffles, full of* arcane jokes.

The Royal Court, London's third subsidised power-house, has not had a very good year. The season of Orton plays was enjoyable, but not, as I envisage it, what the *Royal Court ought to* be doing. The two new co-directors, Robert Kidd and Nicholas Wright, began their season as they should, with a run of work by young English writers—David Hare's *Teeth 'n' Smiles*, Howard Barker's *Stripwell*, Edward Bond's *The Fool*. As I write, alas, the theatre is dark, for *How Mad Tulloch Was Taken Away*, whose author John Morris won the George Devine Award, tripped over a financial barrier somewhere and has failed to arrive. But there is a new piece by Christopher Hampton to come, and if the new duumvirate can continue on these lines the Court will be doing well.

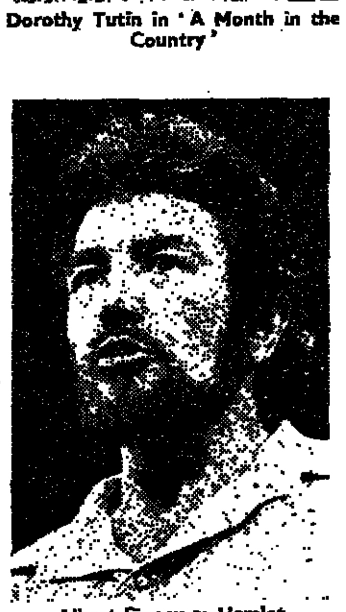
Time I turned to the theatre where the risks are taken by private citizens and not by you and me. I might as well start with musicals; they won't take up much of my time. It was indeed a black year for musicals, two of them (*Kwa Zulu* and *Ipi Tombi*) *having been imported* from South Africa and one (*Black Mikado*) blackened from G. and S. as if in deference to the Afro-Asian Committee of Equity, which has been complaining of the poor chances given to black and Asian actors in England.

There were two thunderous disasters—*Jeeves*, whose all-star cast of writers evidently went adrift in a strange world, and *Thomas and the King*. American-born but given a try-out at Her Majesty's to reveal its total lack of merit. Two doses of nostalgia for the wartime 'forties, not a period I could ever work up any nostalgia for myself: *Happy as a Sandbag* gets them in at the Ambassadors, and *Dad's Army*, graced by that superb television team with a lot of their television lines, is fine between the nostalgic bits.

A Little Night Music seems to me the best musical since *Guys*

Alan Bates in 'Otherwise Engaged'

Dorothy Tutin in 'A Month in the Country'



Albert Finney as Hamlet

and Dolls. Since this opinion is apt to surprise some people, I must emphasise that *it needs attention*. You wouldn't go to *Figaro* and complain of the complicated plot; not even *The Merry Widow*. Separate the plot-lines early; watch out for musical and verbal *references forward and* back. Go again if you don't get it the first time.

What did our established playwrights have for us? John Osborne had *The End of Me Old Cigar* and his version of *Dorian Gray at Greenwich*, with a revival of *The Entertainer* left from the end of the previous year—the opportunity I'd always wanted to see Max Wall as Archie Rice. Alan Ayckbourne gave us *Absent Friends*, perhaps not up to his highest standard but high enough to show up things like *Roger's Last Stand* and *Norman, is that You?* as the rubbish they are. Simon Gray's *Otherwise Engaged*, clearly written to the *Butley* formula, is a very funny comedy more carefully composed than at first appears.

But the highest-soaring rocket of them all was the 89-year-old Ben Travers's *The Bed before Yesterday*, a comedy that blends all the old lighness of touch with a new dimension of pathos *and understanding. Its subject* is sex, and it is absolutely without offence.

This is half of a rep programme put on by H. M. Tennent, the other half being *The Seagull*, or as they insist, *The Sea Gull. (My dictionary* says: "chaika, *seagull*.") Both plays are ably produced by Lindsay Anderson; both use the same company, that includes, to good purpose, Joan Plowright, John Moffat, Helen Mirren, Peter McEnery.

Another rep season (both of them, one observes, under the umbrella of Eddie Kulukundis) is Prospect Theatre's at the Albery. From them we have *A Month in the Country* with the delectable Dorothy Tutin, and an adaptation of Forster's *A Room with a View*.

Other London items of note included lordly revivals of *The Gay Lord Quex* and *Ardèle*, neither of which did as well as it should; Anthony Shaffer's disappointing successor to *Sleuth*, *Murderer*, which did as badly as it should; *The Exorcism*, a play about the supernatural whose run was bizarrely truncated by the death of the leading lady, Mary Ure, after the first night. Paul Scofield played a wonderful Prospero in a less wonderful *Tempest* brought in from Leeds; and James Stewart came to show himself in *Harvey*, a happy experience even though all the company were microphone-amplified, a new factor to me in a straight play and hardly welcome. Julian Mitchell's *A Family and a Fortune*, moulded out of Ivy Compton Burnett's book, was a considerable pleasure.

In the London outskirts, Greenwhich not only had its Osborne Season but a Coward Season and a James Saunders Sea*son and a* Jonathan Miller Season that included the only production of *The Importance of Being Earnest* ever known to cut the laughs out, though there was some consolation in Irene Handl's Lady Bracknell with a German accent. Hampstead's big success was *Alphabetical Order*, which moved on to the May Fair. The Mermaid gave us two excellent Shaws, *The Doctor's Dilemma* and *On the Rocks*, but miscalculated the appeal of Herbert Farjeon.

Some brilliant sparks flashed out from some of the smaller houses. The Half Moon in Alie Street, E.1, put on a first-class Irish play, *Hatchet*, of which I hoped to hear more but didn't. They now have *George Davis is Innocent OK*, which *looks as if* it may have to run for 17 years more unless it succeeds in persuading some judges and policemen as much as it persuades me. In Shepherds Bush, the Bush Theatre put on the best two so *far of Stephen Poliakoff's in*numerable plays, *Hitting Town* and *City Sugar*. The Young Vic had a modest year punctuated by a tour abroad with its curious *Macbeth*.

The Chichester Festival was, frankly, pretty dire. *An Enemy of the People*, with a stupendous performance by Donald Sinden, was great. But *Cyrano* was given a vulgar and even inefficient production, *Othello* came to grief over the casting of Topol as the Moor, since he couldn't manage the verse. The fourth play, a new piece by Andrew Sachs, I couldn't see; it did not get very good notices.

I should, I know, have left myself more room to write about the theatre outside London. Nottingham, not for the first time, seems to have shone most brightly: *The Comedians* was lent to the National for the Old Vic and is now to appear at Wyndham's, though, alas, with*out Jonathan Pryce. Bristol* has perked up under its new Aritistic Director; its spring programme is very interesting. Leicester, with its new Haymarket Theatre, now has three auditoriums, and I have seen good productions in all of them, including one of the most exciting *Hamlets* ever at Phoenix. Derby also has a new theatre and I have also seen *Hamlet* there, though *not* very well directed. The Welsh Drama Company carries most of the theatrical burden all over Wales: I have sometimes wondered if it need be so consciously Cymric in its choice of plays and players since it is an English-language company and a pretty fair one at that.

Television

Budget-price success

by CHRIS DUNKLEY

Financially 1975 was just as much an appalling year for television as it was for practically everything else. The BBC's small surplus of £750,000 from spring *1974, for* instance, had turned into a deficit of nearly £19m. by spring 1975, and now the corpora*tion is desperately trying to cut* that to a £10m. deficit by spring 1976.

The rise in the licence fees last April from £7 to £10 for monochrome and from £12 to £18 for colour may have seemed terrible to the consumer, though the British fees remained some of the lowest in Europe even after the increases. *(In Denmark* a monochrome licence costs £32.62 and colour £54.43.) Eire's fees were relatively very low, *too, but now the Dublin govern*ment has approved increases to £16 and £27 from February 1, 1976, and once again the BBC *fees appear to be Europe's best* bargain.

The trouble is that like recent increased postage costs, rises in the licence fees have a tendency to be partly counter productive: they help to hold down the num*ber of people "trading up"* to colour.

In the face of such difficulties, when all broadcasters, ITV as well as BBC, are emphasising the deleterious effects of reduced budgets, it seems almost unkind *to point out that in programme* terms 1975 was really a remarkably good vintage. The effects of tighter economy have peeked through in occasional programmes and series, it is true, but television as a whole is going to have to do very much worse and look very much more pathetic than it did in '75 before I become really concerned about *its problems.*

One of the earliest forecast results of the financial straits was the total disappearance of the big budget production, the long series, made on film, partly or wholly on location, with big name actors *and actresses, a cast* of hundreds, and enormous collections of period costumes sculpted — nearly — out of solid gold. That lovely ATV series *Edward The Seventh* (and if "lovely" seems an oddly wishy washy word it nevertheless seems, in retrospect, about the right one for the series) was definitely the very last production of its sort, I was told time and again.

The funny thing is that I was told precisely the same about *The Pallisers* and before that about *War and Peace*. I shall be *extremely surprised if I am not* repeatedly told the very same again about Stella Richman's series for ATV, *Clayhanger*, which starts tomorrow evening — a slim little serial costing a paltry £¼m. and running to a *mere 26 one-hour episodes*, shot on location in the Potteries and in studio, using a cast of more than 100, and starring Peter McEnery, Janet Suzman and Harry Andrews.

And when that has run its course I *shall expect to be hear*ing a lot about ATV's series on the life of Christ. In fact you will be entitled to believe the jeremiahs about the death of the big filmed drama series on the day you read in this column that *Sir Lew Grade has assured me* personally that he is not financing any more of them. He will be the last to stop, and that'll be the day.

*

Meanwhile BBC2 has just started a major drama serial which, if not particularly long, is hardly a budget-label cheapie: a new dramatisation of *How Green Was My Valley* in six parts, made in studio with loca*tion-filmed inserts*, and starring Stanley Baker and Siân Phillips. Judging from episode one it is going to be marvellous old fashioned stuff, full of lashings of plot and emotion, and high family drama; the scene in which the crippled son tongue-lashed the hypocritical elders of the chapel was simply splendid. Nor do I expect this to be either the *last or the biggest* of the BBC's drama serials for 1976.

Looking back over the year the "best" drama serial probably was *Edward The Seventh*, but it was by no means the only one in the running. There was Dennis Potter's adaptation of Angus Wilson's *Late Call* on BBC2 with a memorable performance from Dandy Nichols, and—*in total contrast—Yorkshire* TV's cliff-hanger thriller serial *The Hanged Man* which brightened up a lot of otherwise dismal Saturday nights last spring; and the Thames police/thriller film series *The Sweeney* which was so much better than any of the American imports.

Giving an even deeper contrast was the Garnett/Loach quartet of plays *Days of Hope* written by Jim Allen, exploring and reflecting a number of left wing views of recent history, and quite rightly broacast by the BBC: that they led to such a fuss is proof that the BBC had hitherto stuck much too rigidly to cen*trist and establishment points of* view in their drama.

In the single-play category Trevor Griffiths' recent work on BBC1, *Through the Night*, was also laced with very healthy streaks of iconoclasm—aimed *this time at some of the preten*sions of the medical profession—and was certainly one of the three best single plays of the year. The others were Jack Rosenthal's account of the war from the point of view of two small boys, *The Evacuees*, a BBC2 play which glitters like a diamond, no matter which angle you view it from; and Philip Mackie's play, also recent but this time from Thames, *The Naked Civil Servant*, which told the story of Quentin Crisp.

Stanley Baker and Sian Phillips in 'How Green was my Valley'

Thames deserve tribute, too, for the important post-script they added to *The World at War* with the two-part *Final Solution*, a study of Hitler's plan to exterminate the Jews. (Very sensibly ITV are repeating *The World at War* in the coming season.) Also concerned with the Second World War—a topic which lost nine of its fascination in 1975—was Robert Vas's *Orders from Above*, detailing the shocking (and for once the word is justified) business of the Allied repatriation of *Russians after* the war.

Of the factual series outside current affairs John Drummond's *Spirit of the Age* on BBC2 stood head and shoulders above the rest, providing in eight *superbly idiosyncratic* programmes a brief history of the English as commemorated by their buildings. (The BBC's book of the same name is hideously expensive at £7 but unlike most coffee table books it will, in my household, anyway, be used continually as a work of reference.) The most exhilarating documentary of the year by a very wide margin indeed was *African Sanctus* in the BBC1 "Omnibus" series, featuring the unforgettable musician/explorer / anthropologist / philosopher/eccentric David Fanshawe.

But for sheer numbers of new hit series the year's richest vein was comedy: John Cleese and Connie Booth gave us *Fawlty Towers* on BBC2; Donald Sinden and Elaine Stritch gave us *Two's Company* from London Weekend: Peter Tinniswood adapted his own books about the Brandon family and gave us *I Didn't Know You Cared* on BBC1; and on the same channel Bob Larbey and John Esmonde gave us *The Good Life* which, in its second series now, is maintaining its impressive standard. I cannot remember another year with such a high quality of comedy sustained over such a wide range of subjects.

*

And what do we have to look forward to other than party politicals about all pulling together? In the coming season Granada will be broadcasting *Decisions*, their three verite films on the way that organisations reach decisions, which should be worth watching because they have been made by Roger Graef who was responsible for *The Space Between Words* and directed the "fly-on-the-wall" crew for *State Of The Nation*. London Weekend's seven part adaptation *Bouquet Of Barbed Wire* demands attention because it stars Frank Finlay. BBC1's imported American series *The Ellery Queen Whodunnit* deserves sampling because it comes from the creators of *Columbo*.

Omnibus on BBC1 will bear special watching from next week because Humphrey Burton is turning alternate editions into *magazine programmes;* Yorkshire will soon be showing the film series *Luke's Kingdom*, made in Australia and particularly interesting because it was produced by the late Tony Essex; Thames will be trying an interesting experiment with *Rock Follies*, a series about an all-girl rock group, and the incomparable *M.A.S.H.* returns to BBC2.

Later in the year the killjoys and the moaning minnies will have a field day complaining about the BBC's Olympic coverage. I, however, shall thank my lucky stars that I am *a television critic* with a watertight excuse for switching on at the start of the very first transmission from Montreal and staying until the games end or the satellite falls out of the sky.

London Festival Ballet for Paris

Following their Christmas season *at the Royal Festival Hall*, London Festival Ballet will open a four-week Paris season at the *Palais des Sports on January 20*. They will present Rudolf Nureyev's production of *The Sleeping Beauty*, designed by Nicholas Georgiadis with Nureyev dancing Prince Florimund; Eva Evdokimova and Patricia Ruanne will be dancing Aurora during the season.

Collegiate

The Magic Circle Show

by ANTHONY CURTIS

In magic there are no revolutions only the constant refine*ment and* perfection of traditional illusions: great tongues of flame turning in a trice into solid walking-sticks, doves emerging from silks, ladies being locked in body-sized boxes with slits down the sides into which *naked swords* are rammed by smiling males. Will we now, under the new legislation, see a woman wizard saw a man in half?

The Magic Circle is the custodian of this tradition in this country, and every year at this time it puts on a show for a week at the Collegiate Theatre, Gordon Street. The changes are rung on the old mysteries by its members who include performers from abroad. The show receives very *little in the* way of advance publicity; you really need to know about it already to catch it. Usually it is worth catching and this year is no exception.

There are eight different turns, and most of them are by seasoned performers in night-clubs and on television. The whole thing in spite of the big spaces of the auditorium (where my colleagues sometimes watch Handel operas) has a party atmosphere with balloons flung into the audience *at the finale*, and a chatty *master* of ceremonies, Karrel Fox, who fills in with off-jokes between the acts like a naughty uncle.

Two of the acts, firmly rooted in traditional magic, have a pleasing stylishness. One is by Chris Woodward, who through the swirly mists of stage fog produces a brilliant variegated string of coloured silks, and the other is by Richard Ross, whose elongated fingers deftly fit apparently solid bangles into linked chains and who produces an endless series of watches and coins out of thin air. Each has the elegance, that lazy-looking, silent, effortless rhythm that is the hallmark of sterling magic.

For the rest Peter Pit is a Dutch-born conjuror with an act that is 50 per cent. patter but quite agreeable and with a fine *floating-wand effect;* Victor Burnett and June move around effectively too, manipulating fiery torches; and Max and Salli Hapner have one big illusion in which the latter is made to disappear into a container half her *size and then to reappear after it* has been jumped on by Max.

Turning from pure magic like this to good party entertainment, there is Don Robertson a yo-yo expert (rocking the baby etc.—remember how to do it?) who generously permits his own 12-year-old son to steal his act, and John Shirley, a balloon sculptor with a throaty hillbilly way of talking in between puffing out his wares and twisting them into fruit and fowl.

HOME NEWS

More shopper advice centres

By Elinor Goodman, Consumer Affairs Correspondent

FORTY-NINE new consumer advice centres are to be set up throughout the U.K. as a result of the £1.4m. grant to local authorities announced in the Government's White Paper on inflation last summer.

Grants of up to £50,000 each will finance setting-up and initial running costs.

The scheme was considerably over-subscribed and the Department of Prices has had to turn down as many requests as it accepted because of the £1.4m. ceiling.

The projects, selected for their suitability and location, will serve areas with a total population of 9.9m.

The new centres, which will open over the next nine months, will bring the number of consumer advice centres to 128.

The centres, like the existing consumer advice network, will aim to offer consumers a complaints service and pre-shopping advice, including lists of comparative prices.

They will normally be staffed by trained consumer advisers and linked to the local authority's trading standards Department.

High Streets

A network of centres was presented in the summer as a fundamental part of the Government's fight against inflation and was welcomed by the unions.

In all, the Attack on Inflation White Paper set aside £2m. for consumer services. Of this, £400,000 was distributed as £1,000 grants to help finance price comparison studies and £200,000 was given to Consumer Advice Bureaux.

Some of the new centres will be in High Streets to give shoppers on-the-spot advice. In rural areas, some local authorities will have mobile units.

The National Consumer Council—set up by the Government to speak for consumers—yesterday welcomed the Government's plans but called for still more centres. It said that about 240 were needed.

For this reason, it would have preferred a lower limit of £25,000 on each project and more centres.

"Consumers have never been in greater need of advice and information to help them get value for money," the Council said.

Energy consumption 11½% down in October

BY RHYS DAVID

ENERGY CONSUMPTION in Britain is continuing to run at much lower levels than a year ago. Figures for October from the Department of Industry show an 11.5 per cent. drop on the same month last year.

The annual rate of consumption in October at 324m. tons coal equivalent compares with total consumption of 346.1m.tce. in 1973 and 331.3m.tce. last year and reflects the decline in economic activity during 1975 together with consumer economies.

The biggest reduction has taken place in demand for petroleum products, with refinery throughput and deliveries both down 17.5 per cent. in October, compared with the same month last year.

Deliveries of fuel oil fell by some 29.2 per cent. as a result of a steep fall in consumption for electricity generation, but deliveries of motor spirit were only 3 per cent. down on the previous year.

The sole increase in consumption was recorded in aviation kerosene—up 11 per cent. in October this year over October last year. Stocks of oil held by the oil companies have declined from 24.8m. tons in November last year to 21.9m. tons in November this year—87 days' supply.

The public electricity industry—which reduced its usage of oil by 43.5 per cent. in Ocotber and its total fuel usage by 12.8 per cent.—supplied nearly 11 per cent. less electricity during the month compared with last year.

Coal

In the coal industry, the opencast sector managed to record a 17 per cent. increase in production in November compared with the same month last year, but output from deep mines was only up 1.1 per cent.

Average output per manshift showed a decline, however, over the figure for Noevmber last year, falling from 46.48 cwt to 46.35 cwt overall and from 157.62 cwt to 157.14 cwt at the face.

Manpower declined marginally, with 300 more men leaving the industry in November than were recruited. The total labour force at 246,000 is the same as last year, and only slightly up on the figure for 1973, before the national strike and substantial increase in miners' pay.

Coal stocks increased by 1.41m. tons in November and now stand at 31.39m. tons—an increase of more than 10m. tons on the same month last year.

In the gas industry, total supply in October fell by 7 per cent. compared with the same month last year, and there was a 65 per cent. drop in the contribution made by town gas.

All but 4 per cent. of U.K. gas supply now comes from natural gas compared with more than 90 per cent. in 1969, before the big natural gas conversion programme.

U.S. shows investment interest in Scotland

By Chris Baur, Scottish Correspondent

ABOUT 25 U.S. companies have expressed an interest in manufacturing in Scotland, either through direct investment in new facilities or through joint ventures with Scottish partners, the Scottish Council (development and industry) said yesterday.

The Council last month launched an investment-attracting campaign in the U.S. Its team, partly financed by the Scottish Office, visited Houston and Los Angeles.

It will visit San Francisco, San Diego, Chicago and New York, and plans to end its campaign in Philadelphia coinciding with the celebrations to mark the bicentenary of America's independence.

Mr. Lindsay Aitken, the Council's industrial director, said that interest in investing in Scotland had come mostly from medium and small specialist manufacturers, including precision engineers, manufacturers of oil-related equipment, petrochemical equipment, computer peripherals and consumer goods.

There was equal interest in the potential of joint ventures and the possibilities for direct investment, both aimed at the European markets.

The Council expected the first joint venture to be announced early in the new year, involving a company in Ayrshire, and leading to the employment of about 300 people.

If all 25 inquiries matured, the employment potential would amount to over 2,000 jobs.

Mr. Peter Balfour, chairman of Scottish and Newcastle Breweries, who has led the Council campaign, said it would produce tangible results quickly. "It seems to us that America is pulling out of the depression very much faster than many people think."

Job centre

NORTHAMPTON'S first Government job centre will be opened by Mr. Hugh Hamilton, general manager of the town's development corporation, next Tuesday.

U.K. 'needs 200-mile sea limit'

By Chris Baur, Scottish Correspondent

BRITAIN SHOULD seek the establishment of a 200-mile fishing limit by the end of 1976, Dr. William Lyon Dean, chairman of the Herring Industry Board, said in Edinburgh yesterday.

If the Law of the Sea conference, meeting in New York during April-May, failed for the third time to fix a 200-mile limit, the U.K. should take "immediate steps," in agreement with the other European countries concerned, for a North Atlantic mutual regional pact. The 200-mile limit should be made effective "no later than the end of 1976."

Referring to the "cod war," Dr. Dean said it was regrettable that the deep-sea fleet should have had its quotas around Iceland restricted, while Icelandic boats took a greater share than Britain of the herring around Shetland.

But Iceland's action in unilaterally extending its fishing limit might have achieved some good in giving a new impetus to an international agreement.

The Board reported that because of quota restrictions, fish landings in the past year fell 20 per cent. to 112,857 tonnes. Fishermen's earnings dropped 19 per cent., while operating costs rose 18 per cent.

Slight fall last month in housebuilding starts

FINANCIAL TIMES REPORTER

THE STRONGER trend of housebuilding activity dipped last month, according to provisional Government figures issued yesterday. There were 26,000 starts, against the October total—one of the best for three years—of 32,900.

Seasonally adjusted, the drop is much smaller, from 29,500 to the 29,000 adjusted figure for October and 27,700 for September.

The longer trend also remains firm, with total starts in the three months from September to November up 8 per cent. on the June-August period.

The growth is accounted for by the public sector, where starts over the three months are up 16 per cent. over June-August and 31 per cent. over the same period last year.

Private sector starts are down 1 per cent. over the three months, though this is still 70 per cent. higher than for 1974.

The Department of the Environment's provisional figures for last month show public starts at 14,000. Seasonally adjusted, the figure is 16,000, compared with 16,900 in October and 15,500 in September. It is thought, from known tender approvals, that last month's figures do not represent a lasting break in the rising level of public sector activity.

In the private sector, where the level of starts has been rising more gradually, the provisional figures for last month are 12,000, which when adjusted becomes 13,000, compared with 12,600 in October and 12,200 in September.

Housing completions last month totalled 27,000 on the adjusted basis, against 25,700 in October and 27,900 in September.

House renovation grants for an estimated total of 31,600 dwellings were approved in England and Wales during the three months to last month.

Aircraft hazard reports to be made compulsory

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE CIVIL Aviation Authority will bring in a mandatory system of "incident reporting" to-morrow for aircraft used for public transport.

Aircraft makers, airlines, pilots, engineers, air traffic controllers and all airport workers will have to report to the CAA within 96 hours anything in the air or on the ground which has endangered an aircraft or which, if not corrected, could have endangered it.

The aim is to make flying safer, by ensuring that lessons are learned from every "near miss" or other hazard involving any aircraft on the U.K. register, no matter where in the world it may be flying.

Up till now, reporting of such incidents has been voluntary. But the CAA feels that a mandatory system will give a more comprehensive picture of incidents from which lessons can be learned.

Lord Boyd-Carpenter, CAA chairman, stresses that the aim is to secure "free and uninhibited reporting" of incidents and not to prosecute pilots or others where mistakes have been made.

All reports will be processed by a new safety data unit. As reports build up, it will be simple for a computer to search through them to indentify situations needing correction.

An important aspect of the new system will be distribution to the aerospace and airline industries of a weekly summary of reports. This will alert them to problem areas.

The number of air-misses over the U.K. last year was down on 1973, according to figures published yesterday.

The number reported for "air transport" aircraft was 57, against 86 in the previous year, while aircraft in other civil opeations had 74, against 95.

Gestetner to hire out copiers

BY ROY LEVINE

GESTETNER Duplicators is to introduce a rental plan for its FB 12 Series III copier on Friday in an attempt to capture a bigger share of the copier market.

The plan will operate at first in southern England, but will be extended before the end of next year to the whole of Britain.

Aimed at users with a minimum copy volume of over 4,000 copies a month, the plan is based on a discount points structure—users are allotted points for copy volume, use of paper and consumables, geographic location and so on. The more points accrued, the lower the cost.

The plan enables the customer to reduce total copying expenses to a minimum 1.312p a copy—including paper, service and spare parts. In addition, it offers the user the chance to purchase the machine at a reduced price since the cost is reduced by one-sixtieth for each month of use.

Minimum rental period is six months with a copy volume a machine of between 4,000-12,000 a month.

Gestetner's rental plan comes shortly after its main competitor, Rank Xerox, said that it would offer many of its copiers for outright purchase next year. The move was made in anticipation of the Monopolies Commission report on Rank Xerox, which is due some time next year.

Gestetner, which makes stencil and offset duplicators, has been in the copier market for only three years. But as the group wants to increase its share of the market more copier models are likely to be launched soon.

APPOINTMENTS

Imperial Group Divisional Board posts

Mr. S. E. Duckham, marketing director of Imperial Tobacco, has been appointed a non-executive director of IMPERIAL FOODS. Mr. W. G. Muter, co-ordination director of Imperial Foods, has been appointed a non-executive director of IMPERIAL TOBACCO. The changes take effect from January 2.

*

Mr. Martin C. Wing and Mr. Neil E. McNair have been appointed directors of the ASHVILLE GROUP.

*

Mr. Joel C. Romines has been appointed an associate director of ORION BANK from tomorrow.

*

Air Marshal Sir Charles Pringle, Controller of Engineering and Supply (RAF) at the Ministry of Defence, has been elected vice-chairman of the COUNCIL OF ENGINEERING INSTITUTIONS and will take office at the annual meeting on February 10. He will succeed Mr. G. A. Dummett.

*

Mr. Maurice H. Brown is to become secretary of the NEW FOREST AGRICULTURAL SHOW SOCIETY from February 1. He succeeds Mr. R. E. Stenning, who is retiring.

*

Mr. John H. Thomas, an assistant secretary at the Department of Energy has been appointed director designate of the CHAMBER OF COAL TRADERS from January 12. He will succeed Mr. Leslie R. Chambers as director on his retirement at the end of April.

*

Lord Kahn and Mr. Michael Bucks have retired from the Board of BANK LEUMI (U.K.). Mr. Z. H. Schloss has been appointed a director from January 1. Mr. Schloss has been general manager and the Bank's chief executive since 1973. He joined the Bank in 1963 with the appointment of deputy manager and was appointed manager in 1969.

*

Mr. P. T. Collins has been appointed technical director of ELIDA GIBBS from tomorrow. He succeeds Dr. D. C. Hibbit, who is retiring after 40 years with the Unilever Group.

*

Mr. R. F. Shortland has been appointed a director of INDEPENDENT SEA TERMINALS, a subsidiary of Bowater United Kingdom Paper.

*

Mr. J. K. Clayton, works manager of MINTEX is to join the Board as production director from tomorrow.

*

Following the restructure of INTERNATIONAL BUILDING PAINTS, a division of the International Paint Company, Mr. Christopher Cowling has become assistant managing director responsible for the resale division and the shops division and Mr. James Robertson, assistant managing director with responsibility for the protective coatings division and the trade sales division. Mr. Cyril Ottaway has been appointed sales director of the resale division and Mr. Brian Thorpe, general manager of the shops division. Mr. Bill Bullett has been made sales director of the protective coatings division and the trade sales division.

*

Mr. John Rustad has been appointed chairman of the Woodpulp and Machinery Division of the PRICE AND PIERCE GROUP following the retirement of Mr. Jack Fracis. Mr. Christopher J. Pearson has become deputy chairman of that division on the retirement of Mr. D. G. Mitchell.

*

Mr. J. R. Scott has been appointed a director of Dunlop Limited, the main European operating company of DUNLOP HOLDINGS. Mr. A. Hamilton has been made a director of Dunlop International which covers operations outside Europe.

*

Mr. Richard Attenborough has been appointed a trustee of the TATE GALLERY in succession to Mr. Edward J. Power.

*

Mr. M. J. Levete has been appointed director of the PAINTMAKERS ASSOCIATION OF GREAT BRITAIN. Mr. Levete was eight years with the Charterhouse Group, where from 1971-73 he held the appointment of chief marketing executive, Charterhouse Finance Corporation, and subsequently became managing director of London Broadcasting until his resignation at the end of January, 1974.

*

TARMAC CONSTRUCTION has announced the appointment of four regional directors responsible for its nine area organisations. They are: Mr. R. R. Paterson, Scotland, Mr. E. A. Porter, North East Region, Mr. G. H. L. Stones, Western Region and Mr. E. J. Kent, Southern Region. Linked with these appointments are area directorships in the North West for Mr. R. W. Dickinson and in the South West for Mr. D. F. Dabbs.

*

Mr. R. C. Borthwick and Mr. J. S. H. H. Motion have been admitted to the partnership of KITCAT AND AITKEN, stockbrokers.

*

ALPINE HOLDINGS has announced the following appointments from January 1. Mr. J. Whitfield becomes a director of Alpine (Double Glazing) Company, Alpine Windows, and Alpine Dreamline; Mr. R. Howes, installation director of Alpine (Double Glazing) Company; Mr. M. Holden, managing director of Nationwide Freezer Service (Alpine Everest Food Freezer Services): and Mr. G. Goggin, sales director of Alpinair.

*

Dr. W. A. Platt and Mr. P. B. Godfrey, senior consultants of CHEM SYSTEMS INTERNATIONAL, have been appointed directors.

*

GKN KELLER is a new company being formed on January 1 by the amalgamation of GKN Foundations with its subsidiary Johann Keller GmbH. The new company will control three operating divisions: GKN Keller Foundations in the U.K., GKN Keller GmbH in Germany, and GKN Keller GmbH Overseas Division. The Board will be: Mr. G. R. Blake, chairman; Mr. P. D. Brown, managing director; Mr. H. F. Brauch; Mr. A. W. Carleton; Mr. S. A. Goodwin and Mr. J. A. E. Trinder. Secretary: Mr. W. G. Whyte.

*

Mr. A. M. Stamp has been appointed a part-time member of the CIVIL AVIATION AUTHORITY from to-morrow in succession to Mr. J. H. Lawrie who is retiring after serving as a member of the Authority and before this on the Air Transport Licensing Board for a total of ten years. Mr. Stamp is chairman of Maxwell Stamp Associates and a director of Hill Samuel and Company and the De La Rue Company.

*

Mr. Peter Le Cheminant has been appointed to the Deputy Secretary post in the DEPARTMENT OF ENERGY currently occupied by Mr. Leonard Williams. Mr. Williams is to take up an appointment in the EEC Commission from January 5 and Mr. Le Cheminant's new appointment will be effective from that date. Mr. T. P. Jones has been promoted to Deputy Secretary and appointed to the Deputy Secretary post currently occupied by Mr. Le Cheminant from the same date.

*

Following the recent rationalisation of the U.K. interests of Interfood SA, the Swiss holding company of the Suchard and Tobler organisations, the Board of TOBLER SUCHARD will be: Mr. John H. Bayfield, executive chairman; M. Jean Bes, Deputy chairman; Mr. Norman R. Glassford, managing director; Mr. Leslie Cork; M. J. E. Manghardt and Mr. H. J. A. Rohrbach.

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AMERICAN NEWS

Officials remove the body of a blast victim at New York's La Guardia Airport shortly after Monday night's explosion.

No firm clue to N.Y. bomb culprits

BY JAY PALMER

NEW YORK, Dec. 30.

THE MYSTERY of who was responsible for yesterday evening's lethal bomb explosion at New York City's La Guardia Airport deepened to-day as city newspapers and radio stations reported receiving calls from a number of different terrorist organisations claiming credit.

The bomb, which exploded without any prior warning at 6.30 p.m. New York time in the airport's crowded baggage claim area, has so far killed at least 14 people and seriously injured more than 75 others. Police officials note that more bodies may be in the wreckage and that the death toll may not be complete.

Refuting earlier suggestions that the bomb had been in a suitcase coming up the conveyor belt, FBI and New York City bomb squad officials now believe that the bomb went off in a left-luggage locker. Officials noted that the bomb could have been intended for a subsequent flight and that the explosion might have been a mistake.

For a brief time, the impact of the bomb reached across America as airports reacted to what appeared to be a wave of false bomb threats. Washington's national airport was briefly closed as were airports in Cleveland, Philadelphia, Los Angeles and Denver.

This morning, various Middle East terrorist groups denied any responsibility for the explosion. Mr. Zuhdi Terzi, the Palestine Liberation Organisation's permanent observer to the UN, insisted that his organisation had not set the bomb, while, in Beruit, representatives of both the PLO and the Popular Front for the Liberation of Palestine disclaimed responsibility.

Archbishop joins critics of Peron Government

BY ROBERT LINDLEY

BUENOS AIRES, Dec. 30

ARCHBISHOP Antonio Jose Plaza has attacked President Maria Estela Peron in a statement considered to be more damaging to the possibilities of her political survival than any of the other demands, from both Opposition and Peronist Party spokesmen, for her to step down.

The admiration of Monsignor Plaza, the Archbishop of La Plata, capital of Buenos Aires Province, for the late President Juan Peron was not diminished when Gen. Peron was excommunicated in June, 1955, as a result of the burning of several churches in Buenos Aries by Peronist mobs after an anti-Peron Naval revolt aborted. Now Archbishop Plaza has lashed out against the Government of Gen. Peron's widow in one of the strongest declarations by a member of the Church hierarchy on the Argentine situation.

He speaks of "the impotence of the state, which is disintegrating" and will "fall into chaos if something is not done rapidly and energetically . . . the absence of authority and the bad example given from above is fomenting disorder and embezzlement." According to the Archbishop, rarely "has there been seen such an impudent spectacle of corruption in Government: common crime, the kidnappings and murders are the results of institutionalised immorality."

Monsignor Plaza's accusations of "corruption" and "immorality" in the Peronist power structure apparently were mainly against former strongman Jose Lopez Rega whose influence over Sra. Peron does not seem to have been eliminated—although, as a result of Army and labour union pressure, he fled the country in July. Last night, it was officially announced that Sr. Lopez Rega's resignation as Ambassador, a post Sra. Peron gave him shortly before he left, has been "accepted."

Former Social Welfare Minister Lopez Rega is now wanted on several criminal charges — including fraud and falsification of documents — as are others who were in his circle in the Ministry. One of his successors as Minister is in jail. Sr. Lopez Rega himself failed to respond to a federal judge's subpoena to appear here yesterday as a witness in another corruption case involving the Social Welfare Ministry. His daughter made a written deposition instead. It maintained that Sr. Lopez Rega is too ill with diabetes to travel and that he is using Sra. Peron's mansion in Madrid as his mailing address.

Monsignor Plaza in his declaration, which was a message on the occasion of the "Working Day for Peace," maintains that "unfortunately the ship of State is without a rudder . . . the Government is drifting."

The Armed Forces Chiefs, following the precepts of the Army Commander, Gen. Jorge Videla, to-day continue rejecting suggestions, including a slightly veiled one by Archbishop Plaza, to bring off a coup d'etat. Their hope seems to be that the Peronists themselves, backed up by the Opposition in Congress, will be able somehow to convince or oblige Sra. Peron to step down.

Leading indicators index up by 0.4% in November

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Dec. 30.

THE INDEX of U.S. leading economic indicators increased by an estimated 0.4 per cent. in November. Although this reverses the downward trend of the previous two months, there is very little in the statistics to suggest anything other than moderate growth in the economy in the first half of next year.

The November data are preliminary. They contrast with a revised decline in the index of 0.4 per cent. in October and 0.1 per cent. in September. In the March to August period, the leading indicators had risen very sharply, as the U.S. began to pull itself out of the recession.

Of the 11 indicators included in the November calculations, seven increased, though none very sharply. The best was that covering new business formation—others were a decline in employment lay-offs, and rises in building permits, stock prices, the money supply (M1), the value of liquid assets, business contract and orders for plant and equipment.

Of the four components that fell, the sharpest decline was that for new orders for consumer products and raw materials. This was complemented by a slowdown in deliveries to business and industry. Taken together, these hardly suggest that American industry is gearing itself up for a great revival in economic activity next year. A shortening of the average work week and an increase in certain sensitive prices also helped limit the overal rise in the index.

Controversial NY prosecutor to keep job

By Jay Palmer

NEW YORK, Dec. 30.

NEW YORK State Governor Hugh Carey's demand that Mr. Maurice Nadjari be immediately dismissed from his position of Special State Prosecutor has been turned down. In a statement late last night Mr. Louis Lefkowitz, the State Attorney General and the only man legally capable of firing Mr. Nadjari, rather opted to give the controversial prosecutor of political and judicial corruption six months to wrap up his existing investigations.

The political squabble over Mr. Nadjari's departure flared up last week when Governor Carey, on Christmas Eve, demanded his immediate dismissal.

IN BRIEF

'Staggering' pipeline thefts

The Los Angeles Times said yesterday that it has obtained a copy of a U.S. Justice Department memorandum which states that theft along the trans-Alaska pipelin project "staggers the imagination." The memorandum quoted an unidentified auditor for a major oil company as estimating pipeline theft losses of up to $1bn., the newspaper said.

Hughes 'son' loses

A man claiming to be the illegitimate son of multi-millionaire recluse Howard Hughes lost a court battle yesterday in Albuquerque, New Mexico, over a document which he claimed that Mr. Hughes had signed. Joseph Michael Brown (30), who nine months ago changed his name to Richard Robard Hughes, told the court that Mr. Hughes had personally flown here from his hideaway in the Bahamas to sign the document acknowledging him as his son. But Federal Court Judge Philip Balamonte declined to recognise the validity of the signature. Richard Hughles submitted the document as part of his claim that he is heir to a $50m.

Peking banquet

Ex-President Nixon's daughter Julie and her husband David Eisenhower have attended a banquet in Peking with Chairman Mao Tse-Tung's niece Wang Hai-Jung, who is Vice-Minister of Foreign Affairs. The Eisenhowers arrived in Peking on Monday—the first members of the Nixon family to visit China since the former U.S. President's trip of 1972.

OVERSEAS NEWS

Mrs. Gandhi admits spread of Indian underground

BY K. K. SHARMA IN NEW DELHI AND KEVIN RAFFERTY IN LONDON

S. INDIRA Gandhi, the ne Minister of India, yester- admitted that a "strong :erground movement" was rating in the country and gained footholds in places ere it was previously un- own. Speaking at a session the All India Congress Com- tee, the ruling party's reme body, near Chandi- h, she blamed the underground for two recent railway accidents.

Mrs. Gandhi said that although such organisations as the Rashwriya Shamsepak Sangh (RSS) and Anand Marg had been banned their "underground activities are still going on" and there has been no let up in the activities of the RSS.

Both organisations were now functioning in an organised underground manner, she said.

Speaking to the minorities caucus of the Congress the Prime Minister asked minority sections to keep a close watch on the activities of the banned organisations and to inform the state and central authorities about them.

The RSS and Anand Marg were among the 30-odd organisations banned soon after the proclamation of the emergency on June 26. The RSS is a militant Hindu extremist group which has a well organised cadre and the political wing of which is the Jana Sangh. The Sangh has not been banned, but a demand has been made at the Congress session for its dissolution. The Anand Marg has been responsible for many murders and violent incidents.

Opposition sees long road ahead

BY KEVIN RAFFERTY, ASIA CORRESPONDENT

DIA'S senior "underground" position leader is much less timistic than Mrs. Gandhi was out the strength of his move- nt when she addressed the l-India Congress Committee sterday.

"It will be tough going and will take us at least two years build up a popular move- ent," he told me in London. plomats and other less directly erested parties think that en that is being optimistic. f the opposition can achieve ything in five years, it will good going," one told me.

The underground opposition India is a motley collection groups from the extreme Left the extreme Right. It includes Marxist-Leninists (the scow Communists are allies Mrs. Gandhi), Socialists, the lowers of Jayaprakash rayan, who advocates non- lence, and the Hindu national- Jan Sangh and RSS who cer- nly do not.

To assess the numerical ength of the opposition is rtually impossible. The man I t in London was an emissary India's most wanted man George Fernandes, the railway union leader and chairman of the Socialist Party who has been unsuccessfully sought by Mrs. Gandhi's security forces ever since the Emergency was proclaimed in June. Even this man did not know how many fellow opponents there were.

He merely listed the strength of opponents in various states: 1,500 in Bihar, 1,000 in western Uttar Pradesh, 1,500 in Maharastra, nothing in a handful of states like Orissa. In no state did he claim more than 1,500. Added together, that would come to no more than 20,000 in all India, not many in a total population of more than 600m.

He claimed that the Emergency clampdown and wave of arrests had made movement difficult. "It took me six weeks from the date the Emergency was declared to contact three longstanding friends," he said. However, he tried to suggest that the underground had a wider circle of sympathisers.

From what the man said, the central command structure of the so-called "underground" is also chaotic: basically, every group does what it can.

According to him, there are two aims. One is to let the people of India know that a fight is still going on. With the restrictions on the Press that it difficult. Friends of Jayaprakash Narayan, for example, say that he has continued to protest against the Emergency and crackdown ever since his release from detention. But Indian newspaper accounts have been limited to bare details of his release and hospital treatment. The Times of India on Christmas Day published a picture of him smiling as he left hospital, but gave no account of his political views.

There has been a spate of "underground literature" since the Emergency, but most of it has been scruffy, badly written and with exaggerated accusations and claims against Mrs. Gandhi. However, Mr. Fernandes and his friends are aiming to produce monthly 20,000 copies of an English-language tabloid paper and using Mr. Fernandes' railway contacts to distribute them. So far, two issues have been published under the imprint "Crescent Press, Dacca."

The other opposition objective, he said, was "to scare the authorities." The man I met said that activities had already started. "We may not have made the international headlines, but we have done enough to let Mrs. Gandhi know of our existence. We have blown up about 20 railway lines and bridges, in attacks which would close the line for two or three days. We have also attacked telephone exchanges, post offices and police stations. So far we have been careful to see that no one has been killed, but in the next stages the struggle could get bloody."

His claim about the railway explosions may tie in with Mrs. Gandhi's remarks yesterday.

He denied allegations by Mrs. Gandhi that foreign powers were supporting the underground movement.

Arrests were continuing to take a toll. The man to whom I spoke in London claimed that 10,000 people had been arrested in October and November

Lebanese dispute on census

By Ihsan Hijazi

BEIRUT, Dec. 30.

PRESIDENT Suleiman Franjieh has asked for a census of the Lebanese population to determine which of the communities forms the majority, and insisted that the census should include the Lebanese emigrants abroad. Premier Rashid Karami in turn said that if a census is to be taken it should cover only the Lebanese living in the country.

Both aired their views at separate meetings yesterday with the Parliamentary "Initiative Committee." The committee, formed of ten Deputies represents a cross-section of religious and political representation in the legislature, had proposed a programme of reforms to end the crisis here. Among other things, it said the crisis could be settled by an equal sharing of seats in Parliament by Christians and Moslems, provided the head of state continues to be a Christian Maronite.

Mr. Franjieh who is a Maronite was quoted in the Press here today to have told the committee he could not agree to changing the current formula of six Christian seats to five Moslem unless a census is taken to cover resident Lebanese as well as emigrants.

Observers noted that if this is the case a solution of the eight-month-old conflict remains as far remote as ever.

According to recent statistics, as many as 5m. people of Lebanese origin now reside in the Americas, Africa and Australia. They or their families had emigrated in the past 100 years. The majority of the emigrants is known to be overwhelmingly Christian.

Algeria, Morocco recall ambassadors

ALGIERS, Dec. 30.

ALGERIA and Morocco, embroiled in a growing dispute over Morocco's annexation of Spanish Sahara, have recalled home their ambassadors and sent fresh reinforcements to their frontier, diplomatic sources said to-day.

The sources said Algeria has mobilised quietly 100,000 men to bolster her standing army of 55,000. Libya's chief of state Moammar Khedaffi, who pledged his country's backing for Algeria at a strategy summit with Algerian President Houari Boumedienne on Monday, was ready to put his 100 Mirage jet fighters at Algeria's side, the sources said.

Morocco, while keeping quiet and strengthening its administration over the former Spanish colony, also has bolstered its standing army of 65,000 men along the rugged, arid frontier zone with Algeria, diplomatic officials said. Both Moroccan and Algerian forces are largely equipped with Soviet and French weapons.

Libya's French-built fleet of Mirages, however, would allow Algeria to have a distinct edge over Morocco in any confrontation, the sources said.

Algeria's ruling National Liberation Front (NLF) party factions to-day held a new round of popular meetings in the presence of military officials at which Morocco and Spain were condemned for the November 14 deal under which Spain surrendered its mineral-rich colony to Morocco and Mauritania. Speakers echoed Algeria's claim that the annexation was a land grab violating the Saharans' right to independence, and warned of Morocco's alleged aggressive designs against Algeria.

Diplomats no longer were allowed to travel to the border zone where, according to reports reaching here, Algerian-backed Polisario Front guerillas were preparing new hit and run attacks against Moroccan forces in the Sahara. The Polisario Front is the political movement of the anti-Moroccan section of the Saharans which has vowed to combat the annexation.

UPI

Less secrecy in Cairo

BY MICHAEL TINGAY

CAIRO, Dec 30.

THE announcement yesterday by Dr. Zaki Shafei, Minister of Economy, that civil debts exceeded £E2.7bn. was a significant departure from the customary information blanket on sensitive facts.

Speaking at the People's Assembly debate on the 1976 budget, Dr. Shafei said that Egypt owed £E2.21bn. in free currencies and £E499m. in clearing currencies, mainly to the Soviet Union. This was the first time Egyptian debts have been publicly revealed.

At the root of the revelation of the civil debt, and the first-ever genuine debate on the state budget lie two changes, observers believe: a literal interpretation on the part of some Ministers of President Sadat's general directives for more open government, and a general awareness of the deteriorating economic situation expressed by members of Parliament realising for the first time that hard questions can be asked and answered.

Amouzegar warns of oil price rises

ZURICH, Dec. 30.

IRANIAN Finance Minister Yamshid Amouzegar said in an interview published to-day that oil price increases "will become possible again starting mid-1976" when the expected economic recovery would touch off increased demand for petroleum.

Amouzegar said Iran has been "very well able" to cope with shrinking oil revenues in 1975 resulting from the decline in demand. But he added that foreign aid by Iran, which up to now had taken about 10 per cent. of the oil revenue, "will suffer" from the decline.

Interviewed by the Swiss weekly "Weltwoche," Amouzegar reaffirmed that Iran's strengthening of ties with the Arab cause will not change its stand against and Arab embargo on Israel.

AP-DJ

Thais to open Laos border

BANGKOK, Dec. 30.

THAILAND will reopen its border with Laos on Thursday after a six-week closure which seriously disrupted daily supplies to the Laotian capital, Vientiane, Prime Minister Kukrit Pramoj said to-day.

The reopening of the border at two points in Nong Khai province would be Thailand's "New Year present" for Laos, the Prime Minister said. Though flights between Bangkok and Vientiane continued, Thailand closed the frontier at several points on November 18 following a two-day border clash in which a Thai navy patrol boat was grounded in the Mekong River and a Thai sailor killed. Tension in border areas has diminished since then and no fresh incidents have been reported.

Reuter

EUROPEAN NEWS

Schmidt sees decline in W. German unemployment

BY GUY HAWTIN

FRANKFURT, Dec. 30.

IANCELLOR Helmut Schmidt, a New Year's message broad- st to-day, warned West rmans that full employment uld not be achieved in 1976 spite the forecast economic -turn. But the soberly optimis- message, recorded before the ancellor's current visit to eece, predicted a decline in employment and short-time rking.

Herr Schmidt's message coin- led with a statement from Dr. ns Friderichs, the Federal onomic Minister, that unem- yment in the coming year is t expected to reach 1.5m. rrently it stands at some- ng over 1.4m.

The Chancellor, who reviewed Government's achievements home and abroad, said that ring 1976 the West German ial security network would ntinue to be an example for whole world. The Federal public, he said, would also nain an example to the world industrial peace, with ployers and unions maintaining their co-operation.

Herr Schmidt's cautious optimism is supported by the December report published to-day by the Federal Economics Ministry. The report states that the outlook for the country as a whole is relatively favourable. But it warns that although the autumn saw a positive recovery on many fronts it was still dependent on continued progress at home and abroad during the coming year.

Total industrial orders during September and October rose 4 per cent. compared with the July-August figures. Orders from abroad during the September-October period were up 11.5 per cent. over July-August, while domestic orders rose 0.5 per cent. in the September-October span. Consumer goods, raw materials and finished products led the demand from abroad and at home as well. Domestic weakness was shown in capital goods where demand declined by 5 per cent.

The value of industrial orders did not keep pace with volume which went down 0.5 per cent. against September-October 1974. Domestic orders value rose by 2.5 per cent. but foreign orders decreased by 6.5 per cent. for the two months.

Inflation for the year was held at an average 6 per cent. In 1974 the cost of living went up by an average 7 per cent. In November for the first time in four years the prices on industrial products declined slightly. They went down 0.1 per cent., while prices for industrial products went up only 2.3 per cent. against November 1974.

The cost of personnel rose modestly in 1975. It rose 8 per cent. compared with the beginning of the previous year when personnel costs were up 13 per cent. The Ministry appears generally satisfied with wage restraint, the decline in the cost of living rate and seems cautiously optimistic on most fronts. It makes no claims as a seer, however, noting that it is hard to estimate future investment activity of companies

EEC tariff pact 'soon' with Maghreb

BY ROBIN REEVES

BRUSSELS, Dec. 30.

THE long-planned preferential trade agreement between the European Community and the North African Maghreb countries, Algeria, Morocco and Tunisia, could be completed early in the New Year.

The European Commission, negotiating on behalf of the Nine, has presented Tunisia with what it insists is its "final offer" of concessions. Tunisia's reply is expected in the next few days, and the Commission hopes this will clear the way for a last plenary negotiating session some time in January. Morocco is expected to go along with broadly the same package as Tunisia.

The planned deal with Algeria is generally expected to present the hardest bargaining of all, but the Algerian Government has said it is ready on its side to enter the final phase of negotiations.

Among the issues still to be resolved are the quantity of Maghreb wine, Tunisian olive oil and Algerian petroleum products which will be afforded preferential access to the Community, the level of EEC financial aid, and a number of technical matters such as rules of origin governing access for industrial products.

Success in the Maghreb negotiations would provide a major fillip to the EEC's global Mediterranean trade policy launched as long ago as 1972 with the aim of building, eventually, a free trade area from Donegal to Damascus.

So far, the only agreement to be signed, sealed and delivered as part of this global approach is the accord with Israel reached earlier this year; though Christmas Eve saw another small piece of the jigsaw fall into place with the initialling of the Community's agreement with Malta.

This grants Malta reduced EEC import tariffs on its fruit and vegetable exports at certain times of the year, notably on new potatoes and onions, and Community financial aid—for long the main stumbling-block — worth 26m. units of account (around £13m.) over five years.

Lisbon parties present plans for civilian rule

BY PAUL ELLMAN

LISBON, Dec. 30.

PORTUGAL's political parties were to-day formally presenting their proposals for the military to play a less active role in the running of the country. A five-man commission appointed by the revolutionary Council of the Armed Forces Movement had given the parties until to-day to finalise their views on a revision of the pact the two sides signed eight months ago.

The pact, the price the parties had to pay to be allowed free elections last April, gave the military ultimate authority for up to five years.

Since the collapse of the November 25 rebellion, the pact has come under fire from the two biggest parties, the Socialists and the Popular Democrats, as well as from elements in the military leadership who favour an early return to barracks.

Ranged against them are the more left wing members of the Revolutionary Council, notably Major Melo Antunes, as well as the Communist Party and its allies who favour a central role for the military in Portuguese politics.

Although the parties have agreed to keep their proposals secret pending further discussions on the pact next week, the Socialists are believed to have suggested that the Revolutionary Council might remain in being as an advisory body to an elected President.

The council would have the right to intervene only in areas of "national importance," including the nomination of a new Prime Minister, the dissolution of the national assembly and the selection of Defence Minister.

Meanwhile, the long drawn-out process of remodelling the sixth provisional government moved one step further with agreement among the political parties to accept a military man, Colonel Jose Augusto Fernandes, at the Transport Ministry. Nevertheless, a number of stumbling blocks remain, notably the position of the only Communist cabinet minister, who holds the public works portfolio, and the controversial Communist Junior Minister for Agriculture, Dr. Antonio Bica, who has been severely criticised for his handling of the agrarian reform programme. These, along with the positions of dissident popular democrat junior ministers, are expected to be discussed at further meetings between the Prime Minister, Admiral Jose Pinheiro de Azevedo, and party leaders during the coming week.

Tito-Kreisky relations boost

BY PAUL LENDVAI

VIENNA, Dec. 30.

MAJOR breakthrough towards rmalisation of relations tween Austria and neighbour- Yugoslavia appears to have en reached at a secretly- ranged meeting yesterday tween Marshal Tito and Aus- an Chancellor, Dr. Bruno eisky, who flew on Sunday m his holiday resort in the strian Alps to Brdo in Slo- nia where the Yugoslav Presi- nt is staying.

In addition to a thorough dis- ssion on Sunday night of the orny issue of the Slovene and oat minorities in Austria with Edward Kardelj, Marshal o's closest collaborator and deputy in the Yugoslav hierarchy, himself a Slovene, the Austrian Chancellor had a three-hour talk yesterday with Marshal Tito about international and bilateral questions. In television interviews broadcast late on Monday night, Marshal Tito and Chancellor Kreisky were visibly satisfied with the result of the talks. With regard to the minority problem, Dr. Kreisky will closely co-operate here with the two opposition parties in order to avoid the repetition of past blunders.

The lightning trip of Chancellor Kreisky, at the Yugoslav initiative, indicates the interest the Belgrade government attaches to a mutually satisfactory solution of the border problems. Following the arrangement with Italy over the Trieste border issue last October, the Yugoslavs now clearly are engaged in restoring the traditionally good relations also with their northern neighbour. The fear that border and minority conflicts in the volatile South European region could benefit the Soviet Union, is an additional reason why the significance of the Kreisky-Tito meeting goes beyond the framework of the purely bilaterial relations.

Industrial tariffs down

BY OUR OWN CORRESPONDENT

BRUSSELS, Dec. 30.

THE PENULTIMATE 20 per cent. reduction in the industrial tariff barriers which used to exist between the U.K., Denmark and Ireland, and the original Six members of the European Community, comes into force on January 1, os provided for under the transition arrangements in the EEC Treaty of Accession.

This will leave only a further 20 per cent. of the original difference. This is scheduled to disappear on July 1, 1977, thereafter creating a Common Market in industrial products throughoutthe Nine.

In keeping with the same timetable, January 1 also sees a parellel 20 per cent. cut in most tariffs, between the original Six and the Efta countries not joining the Community. The exceptions are certain sensitive products for which there are special arrangements. Prior to EEC entry in 1973, British exporters faced import tariffs of, for example, 10 to 20 per cent. on food products, 11 per cent. on cars, and 22 per cent. on commercial vehicles exported to the original Six. But as these barriers have come down, so of course have U.K. tariffs on EEC exports.

Papadopoulos sentenced to 25 years prison

BY OUR OWN CORRESPONDENT

ATHENS, Dec. 30.

FORMER President George Papadopoulos was to-day sentenced to 25 years' imprisonment by a high civil court which tried him and 31 others in connection with the student revolt in November, 1973, during which 34 people were killed and 1,164 injured.

The court found 20 of the 32 defendants guilty. It sentenced retired Brigadier General Demetrios Ioannides to life imprisonment on charges of being the moral instigator of the bloody clashes.

The incidents began when about 5,000 students seized the campus of Athens Polytechnic and demanded the resignation of the Papadopoulos military régime. Three days later, when the entire Athens police force was unable to cope with the situation, Mr. Papadopoulos asked troops backed by tanks to evict the students. A week later, Brigadier Ioannides, who was then chief of the military police, staged an army coup and toppled Mr. Papadopoulos. His own dictatorship crumbled in the wake of the Turkish invasion in Cyprus which brought Greece and Turkey to the brink of war.

Also sentenced to life imprisonment to-day were retired General Stavros Varnavas (who ordered police at the Ministry of Public Order to fire at will against the demonstrating students).

U.K. forces in Malta not to be run down

By David Buchan

RUNNING down British forces stationed in Malta faster than already planned is not one of the "possible new defence cuts" this year. This was emphasised by the Ministry of Defence as Mr. Roy Mason, the Defence Secretary, prepared to pay a three-day call on British forces there, starting on Friday.

In last March's defence White Paper, Britain announced that it would run down the British forces—which comprise a Marine battalion, and some Canberra and Nimrod aircraft used for photo and naval reconnaissance—between April 1977 and March 1979 when the present agreement on the stationing of British forces expires.

Djibouti asks France for independence

BY RUPERT CORNWELL IN PARIS AND JAMES BUXTON IN LONDON

TER ALMOST 90 years of onial rule, France is pre- ing to grant independence to bouti, less than 9,000 square les of semi-desert bounded by iopia, Somalia and the Red on the eastern tip of rica.

Mr. Ali Aref, president of the ritory's local assembly, yester- y took his case for self-rule to esident Giscard d'Estaing at Elysee Palace. But while French President accepts the nciple of future indepen- nce, local and international itics have combined to turn issue into a most delicate eign policy problem.

Djibouti, or to give it its per title, the French Terri- y of the Afars and Issas, has n French since 1888. Its lue lay in command of the thern entrance to the Red a and Suez Canal and its posi- n on the sea route to France's ssessions in the southern lian Ocean.

These, with the exception of island of Réunion, have now ne. But the oil upheaval of 73, the growing Soviet esence in Somalia, the revolu- n in the neighbouring hiopia, and the reopening of Canal have given Djibouti sh significance and dragged it o the forefront of African and lian Ocean politics.

As the superpowers step up their forces in the region, Djibouti's 5,000-man military base has attracted growing attention. Although the French have another and larger base on Réunion, it is Djibouti, so near the Soviet bases in Somalia and in South Yemen, across the mouth of the Red Sea that is in the front line.

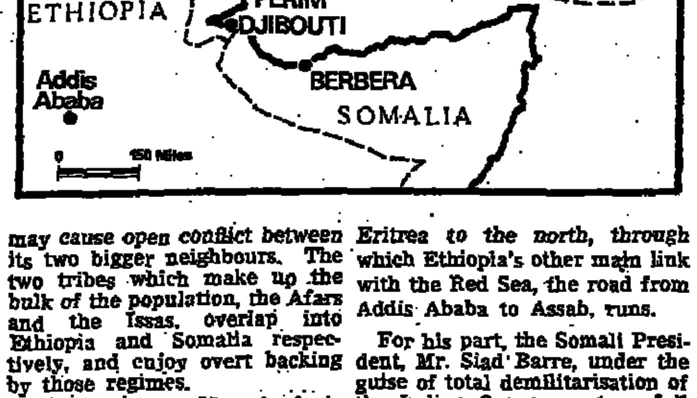
Earlier this year the U.S. Government released photographs showing a naval support complex, with handling facilities for ship-borne missiles, nearing completion at the Samali port of Berbera. The Soviet navy also uses facilities at Perim and Aden in South Yemen.

But the strategic value of Djibouti has taken second place to its role in the political battle now raging in the territory, and which poses perhaps the biggest headache to M. Giscard d'Estaing.

The difficulty is that Mr. Aref is no longer the unchallenged leader in Djibouti. Although he beat off a local assembly threat to his authority last month, he is under increasing fire from the rival African Popular Independence League (LPAI), which wants the French to pull out quickly and totally.

While he looks to independence as early as the end of 1976, Mr. Aref wants continuing French economic aid, and is adamant that the bases stay: they are, he puts it, the sine qua non of independence, to preserve the political balance of the area.

He fears that a free Djibouti may cause open conflict between its two bigger neighbours. The two tribes which make up the bulk of the population, the Afars and the Issas, overlap into Ethiopia and Somalia respectively, and enjoy overt backing by those regimes.



As an Afar, Mr. Aref is accused by the Issas-dominated LPAI of having done a deal with the new military rulers in Addis Ababa, who are vitally concerned because of the rail link between Addis and Djibouti. This lifeline for Ethiopia has assumed even greater importance with the onset of civil war in the Ethiopian province of Eritrea to the north, through which Ethiopia's other main link with the Red Sea, the road from Addis Ababa to Assab, runs.

For his part, the Somali President, Mr. Siad Barre, under the guise of total demilitarisation of the Indian Ocean, wants a full withdrawal of French troops and backs the LPAI as the proper negotiator of independence. "We have never considered Mr. Aref as competent for this," he said in a recent interview with Le Monde.

In asking France for independence Mr. Aref is walking a tightrope. He knows that his position in the territory will become perilous if he does not; but he realises that if independence is granted and the French withdraw there is a grave danger of Somalia trying to absorb the territory. Somalia has a longstanding territorial claim to it, although at the moment it backs because of independence.

Although Mr. Aref's Afar tribe is the largest single group in the territory, with about 82,000 people, according to the 1973 estimate, the Issas, who are Somalis, number 62,000 (the total population of the territory is about 200,000, according to the 1973 estimate). The delicate balance between the two peoples has partly been maintained by the construction of a 20-mile electrified fence around the town of Djibouti, to keep out extra Issas, who have been drawn to the territory by the lure of its economy and, it is alleged by the Afars, to tip the tribal balance.

Ethiopia, which says it has renounced all claim to the territory, was the only nation to vote against a UN Resolution earlier this month calling for Djibouti's independence. It did so, it said, because the resolution did not require the Somalis to renounce their claim to the territory. It also said that the resolution was vague in defining which refugees from the territory should be allowed to return to it to exercise their right to self-determination—a clear reference to the possibility of subversion by the Somalis. Ethiopia says it wants to see self-determination in the territory without interference by outside powers.

Ethiopia and Somalia have been engaged in a war of words over the territory for the last few months. For Mr. Aref the only way out of the dilemma is to ask for independence but keep the French military presence.

These are the ingredients of the problem facing M. Giscard d'Estaing. That France will leave can hardly be doubted. To delay after the UN resolution would only arouse the fury of other African nations of whose friendship France boasts.

Nor is the role of colonial power appropriate to a country seeking to identify itself as special mediator between affluent North and impoverished South in the dialogue which has just begun. The trick will be to marry these concerns with the attraction of keeping a French base in one of the world's key strategic zones.

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BUSINESS FORECASTS FOR 1976

Views of leading Industrialists

Campbell Adamson, Director-General of the Confederation of British Industry, writes:

It is all too easy to be gloomy about Britain's prospects in 1976. After all, our inflation rate is still appallingly high, our industrial capacity under-used, much industrial investment has had to be cut back and unemployment continues to climb. If I persist in being optimistic, it is not because I discount the problems we face. They are serious but they are not insuperable. And there is another side to the argument. Our inflation rate, although high, is falling; world trade in 1976 will expand somewhat and there is no reason why British industry shouldn't win its full share of that expansion; British North Sea oil will for the first time start to have a significant impact on our balance of payments. More important than these, there seems to be a noticeable change in the will of the British people. I believe we are all fed up and angry with our lack of success, with being the perpetual sick man of Europe, and with the growing signs we see around us that Britain has become a relatively poor country. If the Government can succeed in harnessing this will, which I believe now to be widespread, then 1976 will be a turning point.

But to do this, Government must have the courage to tell us all the true facts of the situation. And the truth is that there are no soft options—no soft options for management, for unions, for consumer, and least of all for Government. We are all going to have to accept changes in the way we work, in our economic and social priorities and in our immediate political objectives. We will all, I believe, have to sacrifice some of our sacred cows.

Management will have to involve their employees to a much greater extent in the working of their companies; employees will have to forget restrictive practices and accept change so that Britain's output per man reaches competitive levels; consumers will have for a time to accept lower living standards; and Government will have to sacrifice some of its doctrinaire and thus divisive policies. These sacrifices won't be easy for any of us, but if they can be made—and made with resolve—I think we can face 1976 and beyond with the confidence that the worst is now behind and the future holds a great deal for Britain.

CONSTRUCTION

By Ernest Smith, president of the National Federation of Building Trades Employers.

The construction industry enters 1976 still in a state of severe recession with unemployment nearing record seasonal levels. NFBTE's recent State of Trade Inquiry showed that two-thirds of the firms questioned were working at three-quarters capacity or less and had cut back their workforces, often substantially.

An even more ominous note was struck with the prediction by firms that, come the Spring of 1976, the percentage working at three-quarters capacity or less would rise to 75 per cent. Indeed, in two of our already worst-hit regions—the North West and the South West—the great majority of firms are expecting to do considerably less work next year than in 1975. In addition, with the construction unemployment total standing at 175,000 in Great Britain alone, the true severity of the building recession must be becoming clear even to the Government and its advisers.

In the one sector that showed some signs of recovery during 1975, housing, the future is anything but certain. It is hoped that this year's total of 140,000 private sector starts can be maintained in 1976. However, a combination of the squeeze on real incomes through the counter-inflation policy and the uncertainties in the land market created by the Community Land Act makes it almost certain that no further expansion can be expected next year.

The picture, however, is not all gloom. On the apprentice recruitment front our industry has shown great faith in the future by recruiting at least as many apprentices in 1975 as in the previous year—about 12,000 in all, registered through the industry's National Joint Council training scheme. My only fear is that in 1976 firms who have taken on these apprentices will find it increasingly difficult to find productive work for them to do. This is a situation which calls for urgent Government attention.

Lookng at the whole construction scene, I can see little prospect of any significant improvement in our fortunes until well towards the end of 1976, or possibly early 1977. We have a hard slog ahead of us. If I could be permitted one New Year wish it would be that 1976 sees the beginning of a carefully controlled programme of reflation for this industry, hopefully within the context of a gradual national economic recovery.

COMPUTERS

By E. R. Nixon, managing director, IBM United Kingdom

The year has been one which few businessmen will be sorry to see pass. Severe inflation, heavy unemployment and a sagging economy have all cast their shadows over British industry. Yet 1975 has also seen, for the U.K. data processing industry at least, a continuation of several positive trends that underline the industry's maturity and strength. On the technical front there has been no slackening in the pace at which new products have been brought to the market place. Most manufacturers have added significant hardware and software systems to their product lines. These have largely reflected the growing importance of, for example, teleprocessing networks, systems directed at giving non-specialists easier polaccess to computers and the polarisation of products towards very large and very small systems.

The year has also seen British businessmen relying even more on their data processing installations to help them manage in very difficult circumstances. This reliance reflects the growing confidence they now have in the usefulness of data processing, and the professionalism of their data processing staff. It also reflects their own deepening understanding, involvement and commitment—which has shown itself in a flow of orders for computers that has held up remarkably well in the face of a poor economy. In short 1975 has been a good year for data processing.

Now, with the prospect of an economic upturn in 1976, bringing more business confidence and greater capital investment, the U.K. data processing industry is set to take full advantage of the opportunities. In my view there will be no major recruitment boom as a result of a general economic expansion, except possibly in a few specialist skills. Rather, U.K. industry will seek to use computers and other automation systems to create the productivity increase we clearly need. The U.K. has always been a competitive market place for the data processing industry. That competitiveness is likely to intensify—to the benefit of the user.

For the U.K. data processing industry there are then both opportunities and challenges, which only technical competence and customer service can answer. The U.K.'s technical competence in data processing has always been of the best, in part because the industry and its customers have pioneered a number of important "leading edge" applications.

To maintain that competence the U.K. data processing industry needs to ensure that with the increasing importance of the public sector in our economy the natural forces in the market place are allowed to operate freely. The development of more computer applications to improve government will not only save tax payers' money but in the longer term keep the U.K. data processing industry one step ahead. The industry is thriving; it is a growth industry with more than enough resilience to ride any storms and take full advantage of 1976. I am convinced the coming twelve months will be another good year for the industry.

MACHINE TOOLS

By G. W. J. Trowbridge, president of the Machine Tool Trades Association

Few of those connected with the machine tool trade and industry will mourn the passing of 1975, which has been a year of almost undiminished gloom. At this time we are seriously concerned with survival and are experiencing as much as £100m. shortfall of order intake with some firms working significantly below capacity with all the attendant problems which such a situation brings. Critical among these is our continued ability to retain our skilled labour force. These teams of many grades and skills from design, manufacture and sales, carefully and painstakingly recruited over many years, once disbanded take many years to mould together again.

We are not a "lame duck" industry, but a net exporting industry with current exports at an all time high, estimated at around £160m. in 1975 (£106.8m. in 1974) with a balance of trade of £40m. (£7.7m. in 1974). The machine tool sector depends on a healthy and expanding manufacturing industry to serve the wealth producing area of our economy. When manufacturers are depressed, as they are at present, they do not buy new machine tools. Indeed no amount of technological advance, marketing expertise or publicity can alter that fact.

Our 1976 plea is that the administration of this great country shall recreate for the industries we serve that climate and atmosphere which brings the necessary confidence. Given their steady growth we will prosper. Without it we shall live in that state of feast and famine which has bedevilled our industry for far too long.

The machine tool industry is truly international and as a measure of the machine tool trade's confidence in the future it will be mounting in 1976 the greatest single display of machine tools, components and associated equipment ever seen in the U.K. I refer to the Machine Tool Trades Association's four-yearly exhibition which is to be staged at the National Exhibition Centre, September 22-October 2. Our endeavours will not diminish in the overseas markets, but we need and must have a healthy, strong home market with whom to progressively develop our product ranges if we are to continue to be competitive overseas.

OIL

By David Steel, chairman of BP.

The outstanding event of 1975 for BP was the start of production from Forties oilfield, the first major oilfield in the British sector of the North Sea. When it reaches peak output in 1977, Forties will be able to meet about one-quarter of Britain's oil needs.

The prospect of Britain achieving self-sufficiency in the early 1980's is now a real possibility. The successful completion of projects already committed alone will barely meet this goal, however. To realise the British sector's full promise will require the development of all proved and potentially-commercial fields. This, in turn, hinges on an appropriate investment climate; the industry must be able to generate adequate finance and the very high rate of inflation in capital costs which has occurred in the past year must be brought down.

In North America good progress is being made with the construction of the trans-Alaska pipeline, which is now about half-completed. We are confident that this vitally important new source of North American oil will begin to flow on schedule in 1977.

In the United Kingdom a major new venture starts on January 1 with the emergence of BP Oil Limited, responsible for the refining and marketing of all BP products in the U.K. In spite of the current recession, I am sure that the establishment of BP as a separate marketing company in the U.K. will improve our competitiveness and our ability to secure a fair return on our continuing investment in Britain.

BP has, of course, about 70 per cent. of its product sales in Europe as a whole, where it ranks as the third largest marketer of petroleum products. But it also has a major marketing position in Australia, New Zealand, South Africa and eastern Canada. BP now also has an important stake in the U.S. market through its 25 per cent. stockholding in Sohio, which, as production from Prudhoe Bay builds up, is due to increase to a majority interest.

For the oil industry generally it has been an exceptionally difficult trading year as consumption continued to fall. We estimate that non-Communist world oil demand in 1975 averaged almost 6 per cent. below the peak reached in 1973. At the beginning of 1975 the industry's oil stocks stood at a very high and expensive level and physical facilities — refineries, shipping and distribution systems—were working well below capacity.

Though stocks are now at a more appropriate level, surplus capacity in refining and shipping persists, and in some respects has worsened. Inevitably the industry's average operating costs have increased, but because of weak demand and, in some cases, Government price controls, the industry has been unable fully to recover these higher costs. In consequence profitability has been much reduced, especially in Europe where conditions have been exceptionally hard. Profits must increase to reasonable levels if investment for the future is to be assured.

Despite the successful development of new oil production in the North Sea and Alaska, however, the world is still dependent upon the OPEC producers to meet its oil needs. The economic recession, deepened by massive increases in oil prices imposed by OPEC, has, of course, resulted in a sharply lower offtake of their oil.

There has been continued and successful emphasis during the year on the conservation of energy. Although this inevitably conflicts with the oil industry's short-term selling position, it has a responsibility to promote conservation both to aid the balance-of-payments problem of consuming countries and to protect the longer-term resource base of the industry. Looking ahead has proved hazardous in the oil industry in the past two years and is no easier now. I hope that 1976 will be better, but excess capacity, especially in tankers and refineries, will continue to bedevil the industry and I am afraid that 1976 will be another lean year.

TEXTILES

By J. A. Clough, president of the British Textile Confederation.

The British textile industry in 1975 has been suffering from its most severe recession since the 1930s. The combination of a sharp decline in demand for textile products in home and export markets, a marked reduction in stockholding throughout the textile chain and the high level of import penetration produced a situation in which a number of concerns were forced to close their doors. Redundancies and short time working reached alarming rates and even the most modern and best run firms saw their earnings squeezed and their ability to operate at a profitable level of capacity under threat.

It is against this background that the outlook for the textile industry in 1976 must be seen. Order books remain short, stockbuilding is unlikely to take place while interest rates remain high and the Government's income restraint policy may reduce consumer spending on clothing and household textiles. The industry is continuing to press the Government to do whatever may be possible to ensure the industry's ability to meet the upturn in demand, when it comes, but has derived little confidence from the import restraint levels so far established under the Multi Fibre Arrangement, many of which allow disruptive levels of imports to continue, and in some cases even to increase.

On a brighter note, I remain confident for the long term future of the textile industry in the U.K., and I believe that 1976 will see the easing of the recession and a return to more normal levels of activity and profitability. The BTC took a leading part in the preparation of a "Manifesto" by the EEC textile organisation, Comitextil, in co-operation with the EEC clothing association and Trade Unions, restating the vital necessity of retaining healthy textile and clothing industries in Europe, and this will form the framework within which the British industry will now form its policies for the future.

Although there are as yet few signs of real recovery, there are patches of increasing activity in some sectors, and indications that demand is beginning to revive particularly in the important markets of the U.S. and Germany. These countries preceded us into the recession and it is likely that we shall follow them out of it. It follows that opportunities for exports will be more encouraging in 1976. The recently announced £20m. scheme of assistance for the clothing industry should be of benefit in strengthening the British textile industry's largest customer.

Overall, in spite of the damage suffered so far in the recession and provided the Government takes steps to ensure that disruptive imports are limited, the British textile industry remains fundamentally strong, competitive and outward looking.

INSTITUTE OF MANAGEMENT

By Sir Frederick Catherwood, chairman of the British Institute of Management Council.

During the last year the conviction has grown in BIM that we must, within our terms of reference as a professional institute, be a more representative body. There are organisations which represent companies and others which represent the collective negotiating power of members, but neither of these groups adequately convey to government or public the skill and knowledge of the professional on which the whole of our knowledge - based economy depends.

It is BIM's job to see that this knowledge-base is not damaged, but is properly used and continuously improved. But we have to organise ourselves to conduct dialogues with others and this means first of all agreeing among ourselves. As a first step we have summoned a national convention in March to which we hope all branches will send delegates and at which we hope we will be abe to debate and agree on key resolutions. Management cannot solve economic problems alone. The proportion of our national product spent by Government has increased from 44 per cent. in 1964/5 to 58 per cent. in 1974/5. In money terms, Government expenditure has increased from £13bn. in 1964 to £45bn. in 1974, while the increase in the ploughed-back profits available for new investment has been fractional.

The membership of the BIM covers the public and private sectors and public-sector services are vital to any civilised country, but the exports on which we depend for our economic growth happens to come almost entirely from the private sector and it is in all our interests to see that the export sector is not starved in the future as it has been in the past. A switch of resources from the public sector to the industrial is an extremely difficult exercise, technically and politically, especially as it has to be done while we still have resources left.

But it will be a great deal easier if we, as managers, can explain to those who work with us that their jobs depend on it. Public expenditure does not create new jobs, but because world trade after this recession is likely to expand far faster than our own trade, expansion of our export capacity creates new employment and indeed it is now the only way of restoring a full employment economy. In finding the resources for exports the trades union and management interests coincide. Though public expenditure may benefit the trades union members a bit more than management, we will be forced to cut it if the trade gap is not closed. The only question is whether we cut it while we still have the resources and borrowing power or are forced to cut it after a dramatic crisis in which we lose the resources we now command.

The message from our overseas markets is loud and clear. Our products are interesting, saleable and competitive in price, but we cannot deliver for lack of up-to-date capacity. We need the tools to do the job. If we have the tools, we can not only balance our trade but create the jobs which are needed to reduce unemployment. And if we put down the new equipment the closing of an out-of-date uncompetitive factory is no longer a major crisis.

People can move on to the job of making products for which there is a high demand, which can be produced economically and which can therefore bear a better wage. This is the case we have to make to those who work with us, to government and to the public. For everyone's sake it is an argument we have to win.

MARKETING

By Peter Blood, director-general of the Institute of Marketing

Unlike this time last year, I believe that businessmen to-day can look forward to 1976 with a measure of controlled hope and optimism. Firstly, there are indications that we shall soon witness the beginning of our emergence from recession. Secondly, the Government's attitude in regard to industry and commerce seems to be shifting towards a recognition that these play a vital role as the sole creators of national and individual wealth. Profit, as the springboard to investment, growth and product improvement, is no longer to be regarded as a dirty word.

Market sizes will remain static, and in some cases will even contract. Competition will be fiercer in order to increase market share. Consumers will be looking twice at everything, and not only seeking, but demanding value for money. Forward-looking companies will certainly seek new overseas markets, and should consider concentration of effort in such promising areas as the Middle East, France, Germany, Benelux, America and Japan. And many more companies will recognise that the key to successful export markets is to establish their own people in these growth areas.

As employers, we have not generally been forthcoming in explaining the essential purpose and structure of business, nor the role of profitability and re-investment, to our employees. Wise companies are changing this attitude, and have already begun a closer liaison between managementment and workers. But for those who are at a loss, a new plan entitled "The 100 Plan" devised by the president of this Institute will provide practical guidelines.

For those concerned with the marketing of goods and services, 1976 will be another tough year in both personal and company terms. And, increasingly, employers will recognise the real advantage and practical value of ensuring that their marketing executives hold appropriate marketing qualifications, coupled with sound practical experience. Modern marketing, especially in the consumer field, is becoming too complex a function to be entrusted to well-meaning amateurs. The task before us all is to increase the standard of professionalism among British marketers, to encourage young people to think of marketing as a career, and to develop existing talents and experience.

CIVIL ENGINEERING

By R. L. Triggs, chairman of the Federation of Civil Engineering Contractors.

The Civil Engineering Industry has emerged from 1975 in better heart than many of us expected a year ago. Despite this, we are approaching 1976 with feelings of considerable uncertainty—perhaps the most damaging of all emotions as far as industry is concerned.

This uncertainty arises first of all over the likely work load in the coming year. Since the heady days of 1973 the rate of new orders has been cut back by some 40 per cent., with the result that some 170,000 construction workers are now unemployed. In view of the time scale on which our industry operates, it may well be that the level of activity will continue to decline as the full effects of the existing cuts work their way through.

Local Government, the Water Authorities, the C.E.G.B. and other nationalised industries are, of course, under severe financial pressure and there must be some doubt as to the extent to which they will be able to sustain even that level of investment which the Government is currently predicting for them. Work related to the North Sea Oil Programme, which was to have been our salvation during 1975, has already fallen way below the level which was predicted earlier in the year.

Naturally we recognise that the fight against inflation must continue to be the prime objective and that in that fight the level of public expenditure must be the subject of continual scrutiny. At the same time, we welcome the view of the Government that within the overall need to contain public expenditure it is essential that investment in future productive potential be given priority, even at the expense of other socially desirable but non-essential items.

In this context we would hope that the Government will continue to recognise the need to carry forward that part of the national investment programme for which they are themselves responsible—the vital work on the economic infrastructure of the country which is to a large extent the Civil Engineering work programme.

The general state of uncertainty is to a substantial degree aggravated by the present legislative turmoil—prices, profit and wage controls, the Employment Protection Act, the Industry Act, proposals for worker participation and for the expansion of direct labour. Having said all that, clearly we are an industry which has over the years had to learn the art of bending with the prevailing gale and no doubt most of our firms will still be going, perhaps even going strong, at the end of 1976. The industry does, however, genuinely take some pride in the contribution which it is able to make to the economic and social well-being of the nation.

AEROSPACE

By Sir Richard Smeeton, director of the Society of British Aerospace Companies.

In 1976 the U.K. aerospace industry faces one of the most eventful years in its history. In 1975, our members set new export records. By October, aircraft, aero engines and equipment exports totalled more than £635m., with prospects of reaching £780m. by the end of the year, a 23 per cent. increase on 1974.

Prospects for 1976 are good for industry to achieve another record. On the airframe side, major programmes include continued deliveries of Tridents to China, Harriers to the U.S. and Airbus wings to France, while among aero engines the Rolls-Royce RB-211 continues to provide a substantial contribution. Increasing exports of guided weapons received a further boost recently with a £186m. Iranian order for BAC Rapier low-level air defence units. These major programmes will continue to be backed by the equipment and electronic suppliers.

The world's first scheduled supersonic passenger services will start when Concorde enters service with British Airways and Air France early in 1976 following a highly successful series of proving flights during 1975. Continuing support of Concorde in service will be vital to the further sales of this epoch-making aircraft. A matter of the utmost importance is the effect of further defence cuts which are at present being suggested. The whole employment situation in our industry and its profitable export performance can be put in jeopardy by further swingeing cuts. Our support of the services in their Nato role could also be threatened and because of this the country's safety.

The Society has prepared a long term policy document reflecting the industry's views on the establishment of a European aerospace industry. It calls for Government support in seeking a new initiative with the EEC governments towards a joint policy in both civil and military sectors, and hopes the Government will take constructive action in 1976 because this is much more important to the survival of our industry than an argument about the ownership of three airframe and two guided weapon companies.

Britain's aerospace industry's workforce is about 200,000; the Government, in debating the nationalisation proposals, has stated that a reduction of manpower will almost certainly be necessary. The effect on industry remains to be seen; if the proposed British Aerospace Corporation diversifies into the equipment fields to soak up surplus manpower the result will be the failure of many equipment supply firms with the consequential loss of employment and loss of exports to foreign airframe constructors. The society will continue to oppose the Bill as being unnecessary, irrelevant and a danger to the prosperity of the industry and the country.

AGRICULTURAL MACHINERY

By Douglas Walker, president of the Agricultural Engineers Association.

The year 1975 has been one of the best ever for the British farm machinery industry—which coincidentally celebrated the 100th birthday of its representative body, the Agricultural Engineers Association. When the figures are finalised exports are likely to be above £600m. in value and home sales around the £400m. mark.

More important is the future. The Royal Smithfield Show early in December — the industry's main sales platform and barometer — brought unprecedented interest, enquiries and orders for 1976. The industry's 60,000 labour force has a good industrial record and provided there are no unforeseen supply or political problems 1976 could be a bumper year because there are strong signs that farmers in the U.K. and overseas are taking a more optimistic view of the future.

With a favourable balance of trade — which few other industries can match — the British agricultural engineering industry is playing an above average part in the Nation's fight for economic survival.

In general the industry enjoys an excellent relationship with its customers and has virtually overcome the problem of delivery delays. With a few exceptions most items of machinery are now available "off-the-shelf." Technically, the industry is well advanced and with strong overseas links there is a steady interflow of ideas.

We are sometimes criticised for the volume of imported machinery on the U.K. market but this still represents only a small proportion of the total and is really nothing new. A book published to celebrate the Centenary of the AEA shows quite clearly that British farmers have always been quick to adopt good new ideas and these are by no means confined to the U.K. Our industry has always had the ability to more than match the inventiveness of others and most important to produce in volume at the right price. We are going into 1976 with confidence.

PAPER AND BOARD

By T. S. Corrigan, president of the British Paper and Board Industry Federation

The year has proved to be one of the most difficult experienced by the British paper industry. During 1974 worldwide demand —swollen by inflation—for pulp, paper and board and converted products led to a substantial excess of deliveries over underlying consumption. In U.K. this manifested itself in substantial over-buying by paper merchants, converters, printers and end-users, all of whom accumulated large increases in inventories. 1975 has witnessed a reversal of this in substantial de-stocking against the background of increasing recession in the domestic economy. As a consequence most paper and board mills have been operating on average between 55 and 65 per cent. of capacity depending on grade.

In a capital intensive, high break-even industry to operate at these levels means for many companies, at best, a break-even and in others a loss-making situation. There has been substantial short-time working and a number of redundancies have been inevitable, although the industry has made strenuous efforts to retain, even on a short-time working basis, as many as possible of its employees. It is most encouraging to note that those mills making mainly waste-paper-based products and others which have become more efficient due to management action taken in recent years have been able to operate profitably, albeit marginally, at surprisingly low levels of activity.

During 1974 the effect of price and profit margin control was to severely restrict the amount of profit and cash resources that could be earned and which have been available to support operations during 1975. This underlines once again the unsatisfactory nature of the profit and price control machinery which does not permit cyclical industries such as the paper industry to earn sufficient in the better years to compensate for the difficult years. Changes in profit controls or, better still, abolition, are urgently needed to assist companies to produce resources for new investment and increased working capital requirements.

During 1975 most imported supplies of woodpulp, the main raw material, have been priced in Swedish kroner or U.S. dollars and because of the weakness of sterling the cost of these materials has increased. Most product selling prices, although remaining fairly firm for most of the year, have not reflected these cost increases, let alone others incurred in the form of increases in wages, salaries, fuel, transport and most other operating expenses.

Underlying consumption during 1975, although at a lower level, is believed to have been in excess of production and inventories have been substantially reduced. The industry looks forward to a better 1976 and to a return to more normal levels of working although the first few months may be difficult. It is unlikely that the production levels reached in late 1973 and throughout 1974 can be attained until 1977. Much depends on whether or not inflationary forces re-appear which in turn could accelerate demand and produce a repetition of the violent fluctuations of 1974 and 1975.

CHEMICALS

By J. F. Hunter, president of the Chemical Industries Association.

During 1975 most sectors of the Chemical Industry have experienced the deepest recession since the thirties and, inevitably, a very sharp drop in profits. Exports have declined more than home sales, but since imports have dropped even more, the positive balance of payments for the industry was at the record level of £850m. up to the end of September.

In the final quarter there has been some improvement in output and sales, but the general view is that this signals the end of de-stocking rather than any real recovery. The better level of sales is expected to continue in 1976, though the first quarter will be difficult as the industry increases prices in many sectors to recover the OPEC oil price increase, as well as other cost increases resulting from continuing inflation and the decline of sterling.

It is hoped that the start of a more general recovery will become evident in the latter part of 1976. As the U.S. moves out of recession ahead of EEC, but with German and French reflation also expected to be taking effect, it is hoped that recovery in the U.K. chemical industry, which will be slow, will be export led.

In the first half of 1975 capital expenditure was at an annual rate of £560m. Since in some sectors up to four years growth has been lost it is inevitable that some projects have been deferred, but nevertheless the industry is still maintaining substantial investment. No serious shortages are anticipated as recovery develops from 1977 and the industry will have time to authorise new projects as the still uncertain pace of recovery can better be assessed, worldwide.

This Association welcomes the Government's determined attack on inflation and hopes that it will be sustained as long as is necessary; also that the growth of public expenditure will be curbed. Such measures will begin to restore the confidence that this industry, and the rest of British industry, needs for recovery. Profits, too, must be restored if we are to step up investment to take new opportunities; we understand the political motivation of continued price control but sincerely believe it to be entirely counter-productive as applied to industry operating in a competitive world.

Industrial relations remain generally good in the industry and in spite of deep recession employment has, for the most part, been well maintained.

SHIPPING

By F. B. Bolton, president of the General Council of British Shipping.

With world trade showing no real signs yet of pulling out of its recession, the shorter-term outlook for shipping remains deeply uncertain. Prospects are aggravated by the largest surplus of tankers world-wide that has ever been known. There have been massive lay-ups; many ships are slow steaming; and freight rates steadfastly stay near rock bottom. Despite considerable cancellations, many tankers ordered during better times have still to be delivered; so that the peak has not yet been reached. Indeed, if all the tankers on order are delivered, it will have the effect of increasing the 1974 world fleet by two-thirds.

The surplus is also producing problems in the dry cargo trades. Some bulk and combination carriers have been substituted for tanker orders; additionally some tanker owners are switching to the dry cargo bulk trades to keep their ships employed. There is an urgent need therefore to try to achieve practical solutions to reduce the surplus. And it will be important to ensure that the cure is not more damaging to the international industry than the disease.

Shipping has always been a highly cyclical industry. It has taken hard knocks before, and returned quickly to prosperity, and it will do so again because the growth in world trade will be resumed, and because that trade is absolutely dependent on shipping.

I think there are times, and this is one of them, when it is right to take a slightly longer view and a wider perspective of events. Despite the present gloom, British shipping has succeeded in staying a world leader in terms of fleet size, operational efficiency and influence.

We are essentially a private enterprise industry and are determined to remain so. We have invested heavily in new tonnage and facilities — some £3,300m. in the past decade alone. Last year U.K. owned and registered ships sold their services internationally to the time of almost £2,000m. and in direct export earnings and import savings contributed nearly £1,000m. to the national economy.

I have mentioned commercial problems. There are also political ones, including an increasing degree of severe rate cutting and other non-commercial practices by some of our competitors. To face and surmount such problems we shall need all our competitive "edge" and all the skills ashore and afloat. But looking slightly further ahead than 1976, I remain optimistic about our prospects.

AGRICULTURE

By Sir Henry Plumb, president of the National Farmers' Union.

The old year ended better than it began. An open autumn relieved the pressure on scant supplies of winter fodder on many lowland farms, and provided ideal conditions for the root harvests, for autumn cultivations and for the drilling of winter crops.

Nevertheless, livestock farmers especially enter the New Year under the handicap of a recession which extinguished the great expansion we had achieved before 1973. That handicap, as we had warned, will be reflected in the coming year in lower supplies of beef and pigmeat especially and, inevitably, in higher prices.

Our main concern in the year ahead, therefore, will be to seek by every means within our power to have last April's White Paper, "Food From Our Own Resources," translated into fact in the spirit and in the letter.

As the White Paper itself emphasised, a high level of agricultural output would not only achieve substantial savings in imports; it would also greatly benefit the nation's economy by expanding the basis of the food processing and distribution industries, the machinery manufacturing industry, and all the ancillary interests involved in U.K. agriculture.

As our track-record has shown, agriculture has a growth potential second to none, and nothing would restore producer confidence so much, with all that that means for employment in the ancillary industries, than a clear indication that Government means to maximise food production from our own resources,

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

LABOUR NEWS

TGWU officials assure members over Dock Bill job fears

BY ROY ROGERS, LABOUR CORRESPONDENT

NATIONAL OFFICIALS from the Transport and General Workers' Union road haulage, general workers, food and white-collar sections have given a joint assurance to their members that their jobs are not endangered by the Government's controversial proposals to extend dockwork areas.

In the January issue of Record, the union's journal, they join Mr. Tom Cronin, docks section national secretary, in signing a statement designed to counteract a "campaign of gross misrepresentation" which the union claims is being conducted against the Dock Work Regulation Bill.

"Employing groups," including Aims of Industry, are blamed for misleading workers by suggesting that they will lose their jobs or be demoted if the dock labour scheme is extended.

This is a "downright lie," according to the joint statement, *which underlines that any* workers employed on jobs which may be brought into the scheme will remain in their jobs and be protected against unfair dismissal.

Where the scheme is extended, registered dockworkers will be given preference for filling vacancies. It is not intended to include long-established warehousing, storage, packaging and cold storage operations "which are not related to work directly transferred from the docks and not connected with port operations."

No revolt yet

No changes will be made without full discussion and the full right of appeal, says the statement. The union's aim was to ensure justice and equal treatment for all its members.

The statement is clearly designed to head off any determined opposition to the dockwork plans from among the *union's road haulage and ware*house members, who in recent years have battled with dockers over who should man container depots and certain cold stores.

So far there has been no sign of any significant revolt from within the union. National officials and shop stewards from the other sections are keeping a very close watch on the situation, though, and intend to ensure that the union sticks to its promise that no workers will lose their jobs.

Other unions with members that could be affected by the proposed legislation—such as the National Union of Railwaymen, the General and Mun'cipal Workers' Union and the Union of Shop, Distributive and Allied Workers—are seeking firm assurances that their members will not suffer. If they are not satisfied they threaten to urge their sponsored MPs to vote against the Bill which is due to receive its second reading some*time in the New Year.*

NGA elects Wade to follow Bonfield

By Our Labour Correspondent

MR. JOE WADE, assistant general secretary of the National Graphical Association since 1968, has been elected to succeed Mr. John Bonfield, who retires as general secretary next summer.

In a heavy 77.26 per cent. poll, Mr. Wade received 33,500 votes, coming well ahead of Mr. Ray Allen, the NGA Kent branch secretary, who polled 16,296 and Communist Mr. George Jerrom from London, who received 15,081 votes.

Mr. Bonfield, who has been a full-time union official for almost 30 years, will be 61 in May. Last August he told the NGA's national council that he would be retiring early and this is expected to be shortly after the union's annual conference in June.

Dockers free typewriters

DOCKERS at Hull have released about 1,000 typewriters which they impounded in support of workers at the Imperial typewriters factory.

The machines were released almost six months after factory workers ended their sit-in, which was in protest against closure of the plant and sacking of the 1,400 employees.

The typewriters were made at Imperial's West German plant and were shipped to Hull for distribution.

State aid sought to save entertainers' jobs

BY OUR LABOUR STAFF

TWO entertainment unions yesterday called for Government aid to avert a £10m. economy drive announced by the BBC before Christmas.

Equity, the actors' union, and the Musicians' Union are worried that members will lose jobs because the BBC is facing financial difficulties.

The BBC announced two weeks ago that it would have to make further cuts of £10m. to cope with a fall in colour TV sales — which means fewer £18 licences—and its under-estimate of inflation.

The unions said that they were worried that without Government aid, the BBC would axe creative artists first in its drive to save more money.

The unions are pressing for an immediate meeting with the BBC's board of governors on the latest financial setback, which follows earlier programme economies.

They want the governors to support a joint approach with the Federation of Broadcasting Unions to the Home Secretary and the Chancellor of the Exchequer calling for an immediate Government grant "sufficient to meet the costs of maintaining TV and radio at their present level and standard."

The unions also want removal of the 25 per cent. VAT on colour TV sets.

They want Lord Annan and his committee on the future of broadcasting to report as soon as possible, so that the Government can decide on the future structure and financing of broadcasting.

Journalists and BBC in talks to-day

BBC MANAGEMENT and leaders of their television and radio news journalists will have further discussions to-day under the auspices of the Advisory, Conciliation and Arbitration Service, in a renewed bid to resolve the dispute which disrupted news bulletins on Monday.

Yesterday ACAS officials, who have already convened several meetings on the unsocial hours payments row, invited the two sides in for another. But last night National Union of Journalists officials stressed that their position remained unchanged and *that further industrial action* was likely *if* the BBC made no concessions.

Meetings of the 720 journalists involved are being held over the next few days and a decision on any future industrial action will be made on Friday in the light of these meetings. Yesterday journalists at Broadcasting House decided to support more action later in the month if necessary.

New head for Scottish Aviation

By Our Own Correspondent

AYR, Dec. 30.

MR. LYNN PHILIMORE, production director of Scottish Aviation of Prestwick, has been appointed managing director.

This is one of a number of changes in the top management of the company, which include the departure of Dr. Gordon Watson, technical and marketing director.

Mr. Eric Porter, at present finance director, also assumes the duties of deputy managing director.

Scottish Aviation is one of the four U.K. airframe companies which it is intended to nationalise under the Aircraft and Shipbuilding Industries Bill now before Parliament.

*The company has been dis*cussing recently a possible contract from the U.S. for production of 61 twin-engined Jetstream/trainers for the U.S. Navy.

SNOW REPORTS

	Depth (cms.) L	U	State of Piste	Weather	°F
Andermatt	30	12	Fair	Fine	33
Good ski-ing above 2,200					
Anzère	10	90	Fair	Fine	27
More snow needed					
Avoriaz	10	145	Fair	Fair	25
Upper north facing slopes good					
Champéry	0	30	Worn	Fine	36
Some crust and ice					
Davos	15	35	Fair	Fine	25
Rocky patches on all slopes					
Isola 2,000	110	150	Good	Fair	19
Good snow on firm base					
Murren	35	45	Fair	Fine	25
Nursery slopes well covered					
Sauze d'Oulx	10	430	Fair	Fine	34
Lower slopes worn, upper still good					
Seefeld	15	60	Worn	Fine	34
Icy patches in morning					
Tignes	30	80	Fair	Cloud	36
Worn patches on lower slopes					
Val d'Isère	25	73	Good	Cloud	30
Conditions deteriorating					
Verbier	10	80	Fair	Fine	32
More snow needed					

The above reports are supplied by the Ski Club of Great Britain.

SWITZERLAND

	L	U	Piste	Weather	°F
Adelboden	20	60	Good	Sun	22
Arosa	45	55	Good	Sun	30
Braunwald	20	50	Good	Sun	28
Château d'Oex	10	40	Hard	Sun	23
Flums	20	40	Good	Sun	34
Grindelwald	20	50	Good	Sun	25
Gstaad	10	60	Good	Sun	27
Kandersteg	20	30	Good	Sun	21
Lenk	30	50	Good	Sun	19
Les Diablerets	15	50	Hard	Sun	21
Laysin	10	30	Hard	Sun	25
Saanenmoser	25	60	Good	Sun	12
Saas-Fee	50	90	Good	Sun	23
St. Moritz	45	70	Good	Sun	21
Villars	5	60	Hard	Sun	27
Wildhaus	20	30	Good	Sun	22
Zermatt	60	120	Good	Sun	23

GERMANY

	L	U	Piste	Weather	°F
Berchtesgaden	5	20	Poor	—	27
Garmisch	20	40	Good	Fair	18
Hindelang	15	25	Good	—	28
Kleinwalsertal	35	60	Good	—	37
Mittenwald	10	30	Good	—	39
Oberammergau	15	25	Fair	—	19
Oberstaufen	20	35	Good	—	27
Oberstdorf	18	40	Good	Fair	36

SCOTLAND

Cairngorm—Main runs more complete, new snow on a firm base. Lower slopes no snow. Typical runs 400 feet. Access roads clear. Snow level 1,400 feet. Glenshee—No snow. Glencoe—No snow. Forecast—Bright intervals and occasional snow showers: much colder.

Letters to the Editor

Intervention by Government

From Mr. Peter Franklin.

Sir,—It is usually the case that intervention by the Office of Fair Trading, the Monopolies and Mergers Commission or the the Registrar of Restrictive Trading Agreements is thought to be in the public's interest: that anti-trust action to restrain or remove monopoly and collusive practices must result in industry's structure and/or conduct becoming more efficient in allocating scarce economic resources.

This seems to me to be a premise which urgently needs testing: it is not at all obvious that cartel-like practices — particularly those involving agreements on capital expenditure—are not frequently in the public interest. Indeed, I am supported in this belief by reference to the post-war Iron and Steel Board whereby independent companies were able to regulate the nature and quality of the industry's investment expenditures. And though the restrictive practices legislation still does allow such practices exceptionally to continue where they can be proven to be in the public interest, such activities are *usually presumed to be contrary* to the nation's economic welfare.

Accordingly, traditional Government policy may not be so efficacious as most of us have possibly assumed it to be. It is certainly very negative and "coloured by the concept that the Government's main function towards industry is that of regulation to prevent the activities of industry, or the abuse of its powers . . ." To supplement this traditional relationship, however, the Government has recently introduced the National Enterprise Board and Planning Agreements; the latter eventually intended to involve most large and important firms, and concerned with providing government with details of such firms' plans for the coming three years; the information which will probably include plans regarding the "intended acquisition of fixed capital assets" as well as information about the size of each firm's existing assets, their utilisation and productivity.

While such agreements will obviously be important in increasing the extent of control and intervention of government in industry, the effect on the structure of industry and the nature and degree of competition is less obvious. For example, will planning agreements eradicate and prevent the formation of excess capacity of labour or plant: and if *this is* one aim for planning agreements, how realistic is it to suppose government will act neutrally allowing (in the words of the Central Policy Review Staff report on the Motor Car Industry) "each company *individually* to determine *its capacity requirements in view* of its future share of the market and financial viability . . ."?

Indeed, it seems to me that our industrial policies are increasingly confused and confusing: on the one hand we have legislation suspicious of industrial structure and behaviour which contravenes certain simple tests (for example, firms which control more than 25 per cent. of the market; industries where price leaedrship occurs); on the other hand, we establish institutions and procedures (for example, the NEB and planning agreements) whose efficacy cannot be easily tested, and policies which, in any case, seem likely to generate the sorts of behaviour and structure which traditional competitive policies have been designed to outlaw.

To some like myself, this confusion is indicative of the pragmatic and piecemeal approach taken by government; being an approach which is inherently untenable in a complex economic system like ours which needs a more general and cohesive plan—a plan involving all industries and which eliminates the conflicts between the various aims of government policies and legislation. Indeed, the new policies represented in the 1975 Industry Act, and reports like that from the CPRS on the motor industry, do indicate the existence of more complex issues, and responsibilities to the public, than those accounted for in the definitions of the public interest written into the 1973 Fair Trading Act. That is, the nature of government inter*vention and its effects on the* competitive process—not to exclude its fiscal and monetary policy—need urgent consideration and examination.

Peter J. Franklin,
Senior Lecturer in Economics,
School of Business Studies,
City of London Polytechnic.
84, Moorgate, E.C.2.

Management of production

From Professor Ray Wild.

Sir,—The Central Policy Review Staff Report on the British Motor Industry provides yet another clear indication that efficient management of production is the most important prerequisite for improved performance in the U.K. manufacturing industries. No amount of capital investment in manufacturing hardware will improve the efficiency of manufacture without comparable investment for the improvement of manufacturing software, that is, the manage*ment. The recruitment*, education, training and the development of manufacturing managers should be a priority activity in the U.K. for the foreseeable future. The manufacturing manager's job is complex, challenging, broad and varied.

Currently there are too few people who are adequately equipped to fulfil such jobs. Manufacturing organisations and educational establishments should be seeking to rectify this situation. This is a single and most important step to be taken towards the reversal of the decline of the U.K. manufacturing industries.

A Production Management Action Group has been established to represent U.K. academics working in the field of production and manufacturing management. The purpose of PROMAG is to improve production management in the U.K.

Ray Wild,
Secretary,
PROMAG,
Administrative Staff College,
Greenlands,
Henley-on-Thames, Oxfordshire.

Representation in management

From The Pension Officer, Unilever.

Sir,—Mr. Beson of the Association of Scientific, Technical and Managerial Staffs wrote to you (December 19) to criticise the way in which employees are represented in the management of the Unilever pension fund.

When Unilever's pension arrangements were reviewed in 1972, one of the company's aims was to improve the way in which employees could be consulted and to give them a greater say in the management of their fund. It *is* not easy to ensure adequate representation of all employee interests in a group of more than 40 companies which operates in such diversified industries that union negotiations have always, by agreement with the many unions concerned, been conducted at operating unit level. The problems are increased by the fact that a high proportion of fund members are not members of a union—the fund caters for all U.K. employees including shop floor and management.

We decided that the right approach would be to arrange a series of conferences at which elected representatives of fund members could express their views on the best way of achieving this aim. The direct outcome of those conferences was the present system under which *delegates*, elected in the ratio of one to every 200 fund members, meet annually at three regional conferences. One of their functions is to elect from amongst themselves 12 directors of the Board of the Trustee company responsible for the management of the fund. The other 12 directors on the Board are company nominees.

We would not claim that our present system of representation is perfect, but we think that it is an effective way of giving balanced represeniation to all the employee groups involved. Certainly we would regard it as more democratic than any alternative system that gave undue weight to the views of particular groups representing only a minority of fund members.

E. F. Rogers.
Unilever,
P.O. Box 68,
Unilever House, E.C.4.

Markets and cars

From the Director, Korea Trade Center.

Sir,—I refer to Mr. Jefferson's letter (December 29) which referred to the Korean Hyundai Motor Company.

Although it is probably true that there will be over-production of motor vehicles on a worldwide basis in the next year or so, it is also probable that there will be a significant shortage of supply of certain types of car, as buyers trade down and fashions change. This is already noticeable in the U.K.

"Late-starters" from developing countries — such as in the case of shipbuilding — have in the past often been extremely successful, despite over-production in developed countries; this is because they have been able to recognise changes in the market situation and new demand trends.

A world survey of motor car manufacturing industry would immediately show up areas where manufacturers of the advanced countries are not actively engaged in marketing and promotion, and where they do not (for various reasons) provide adequate service facilities or replacement of spare parts. The Hyundai car, the Pony, is designed to be particularly attractive to such areas (as in Asia) and is unlikely to pose a realistic threat to the British car industry in the foreseeable future, because of different market targets.

Finally, it is noteworthy that the Hyundai group chose a British company for technical assistance, when it could have obtained this from many other developed countries with a long-established motor industry, such as the U.S. or many of the EEC member countries. The British Government's wisdom, gained from long experience of examining costs and benefits of such assistance, in supplying an incentive to Hyundai (of ECGD assistance) helped to clinch the deal for Britain; with the result that Korea will certainly continue to buy additional facilities, essential parts and certain raw materials from the U.K. in the future. The foresight of British industry in co-operating with a new industry in a developing country promotes respect for British enterprise and technical know-how; British assistance in the fields of engineering, car manufacture and shipbuilding will definitely result in new orders for other British goods, and increased demand for British services; such trade is mutually beneficial, and we look forward to further co-operative ventures in the future.

J. Johong
28, Charing Cross Road,
London, W.C.2.

Overseas aid

From Mr. B. Lewis.

Sir,—Mr. Gordon Tether's article (December 23) concerning the low level of British aid overseas does great disservice to the efforts *made* by the Labour Party over the past 30 years.

Socialists have made determined and, indeed, successful exertions over the years to ensure that the United Kingdom's call on world resources has been much less than would have been the case in a success*ful capitalist economy.*

The contribution of the U.K. has been not *to* increase its standard of living at the expense of others, and Mr. Tether must understand that our low contribution masks the other sacrifice that Socialists have voluntarily *made. It is surely a remarkable* example of self-denial of the Labour Party in particular, and the working people of this country in general, that they have accepted a low increase in the standard of living so that other nations would do relatively better. *And to-day* and in the future our call on resources may fall even further.

I am bound to say, however, that many Socialists have not spoken out at the positive influence their policies have had, and I would like to see them less bashful. Mr. Anthony Wedgwood Benn in particular has the oratorical gifts to sing the praise of this aspect of their pursuit of international equality.

B. A. Lewis.
47, Woodlands Avenue,
New Malden, Surrey.

To-day's Events

GENERAL

Mr. Edward Heath, MP, continues visit to Jordan.

Resumed public inquiry on William Tyndale Junior School continues, London.

OFFICIAL STATISTICS

Energy trends.

Construction new orders (October).

Bricks and cement production (November).

COMPANY MEETINGS

Bisichi Tin, Winchester House, E.C., 12.

Cumulus Investment Trust, 20, Fenchurch Street, E.C., 12.

Energy Services and Electronics, Winchester House, E.C., 10.30.

Jacks (William), Winchester House, E.C., 10.30.

Longbourne, 37, Mincing Lane, E.C., 12.

Manganese Bronze, 1, Love Lane, E.C., 12.30.

Mucklow (A. and J.), Birmingham, 10.

Stag Line, North Shields, 10.30.

Tokenhouse Investment, 44, Hill Street, W., 3.

OPERA

English National Opera production of La Belle Hélène, Coliseum Theatre, W.C.2, 7.30 p.m.

BALLET

Royal Ballet: Merle Park and Rudolf Nureyev dance Manon, Covent Garden, W.C.2, 7.30 p.m.

London Festival Ballet dance The Nutcracker, Royal Festival Hall, S.E.1, 7.30 p.m.

Paco Peña's Flamenco Puro, Queen Elizabeth Hall, S.E.1, 7.45 p.m.

WATCH NIGHT SERVICE

St. Paul's Cathedral, 11.30 p.m.

U.K ECONOMIC INDICATORS

General	Unit	1975 Dec.	1975 Nov.	1975 Oct.	1974 Dec.	1974 Nov.
Unfilled vac'n's¶	'000s	103.1	115.7	131.9	n.a.	336.7
Unemployed¶ ...	'000s	1,211.4	1,168.8	1,165.3	n.a.	621.7
Wage rates	July'72=100	193.6	185.9	184.8	153.1	148.3
		Nov.	Oct.	Sept.	Nov.	Oct.
Currency resrvs.	$bn.	5.606	5.710	5.859	7.824	7.547
Manfd. prods. d	1970=100	198.6	197.0	194.9	164.8	162.2
Bank advances b	£bn.	14.079	14.132	13.782	n.a.	n.a.
Basic mater'ls d	1970=100	255.8	251.6	243.2	223.8	220.1
Terms of trade	1970=100	81.2	81.5	82.3	76.4	75.6
Retail prices ...	Jan.'74=100	144.2	142.2	140.5	115.2	113.2
HP debt¶	£m.	2,261	2,257	2,247	2,294	2,294
Retl. sales val.**	1970=100	179.6	179.3	175.8	156.3	153.9
Indust. output**	1970=100	101.2	100.5	98.8	107.0	107.6

Trade and Industry	Unit	1975 Nov.	1975 Oct.	1975 Jan.-Nov.	1974 Nov.	1974 Jan.-Nov.
Imports f.o.b. ...	£bn.	1.927	1.962	1.810	1.896	1.725
Exports f.o.b. ...	£bn.	1.636	1.738	1.553	1.296	1.273
Visible trade balance	£bn.	−0.291	−0.224	−0.257	−0.600	−0.452
Cars*	'000s	115	95	107	140	127
Comm. vehicles*	'000s	28.2	29.6	32.0	38.6	35.6
Steel (weekly average)*	'000 tonnes	402.0	403.0	389.8	452.7	434.1
		Oct.	Sept.	Jan.-Oct.	Oct.	Jan.-Oct.
Man-made fibres*	m. kgs.	55.11	46.33	46.71	50.71	54.97
Houses completed¶	'000s	29.0	28.3	25.4	25.0	25.0
Bricks*	millions	483	453	419	501	479
Cement (weekly average)*	'000 tonnes	353	331	331	351	348
TV sets‡‡	'000s	250	237	210	310	256
Radios, radiograms‡‡¶	'000s	423	372	384	381	436
Furniture†** ...	1970=100	150	150	153	127	135
		Sept.	Aug.	Jan.-Sept.	Sept.	Jan.-Sept.
Hosiery*	1970=100	1§4	81	89.7	102	101
Petroleum†	m. tonnes	5.96	5.01	6.53	6.74	7.34
Raw cotton (weekly av.) ...	'000s metric tonnes	1.72	2.28	2.04	2.17	2.30
Elec. cookers† f	*'000s*	*93.6*	*59.9*	*76.1*	*79.4*	*68.2*
Washg. mchns.f	'000s	84.5	51.2	63.2	94.6	74.8
		Aug.	July	Jan.-Aug.	Aug.	Jan.-Aug.
Enging. (orders on hand)** ...	1970=100	110	112	117.4	136	136.9
Raw wools§ ...	m. kilos	7.0	9.0	9.1	7.7	10.8
		July	June	Jan.-July	July	Jan.-July
Machine tools†	£m.	22.0	21.3	21.00	22.6	16.79
		3rd qtr.	2nd qtr.	Year to date	3rd qtr.	Year
Motor trade turnover	1972=100	151	145	144	126	119
Consumer spending	£bn. 1970 values	8.840	8.913	26.041	8,925	35.607
		2nd qtr.	1st qtr.	Year to date	2nd qtr.	Year
Bldg. and civil engineering* e	£bn.	2.903	2.631	5.534	2.558	4.949

* Production. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally adjusted. †† All manufacturing industries. ¶ Excluding car radios. ‡‡ Deliveries, U.K. made and imported sets. b From May, 1975, onwards new basis of calculation refers to advances to U.K. public and private sector. Historical figures on new basis not available. d Prices. f Including cooker griller toasters. e Value of output. ¶ United Kingdom not seasonally adjusted.

The Executive's World

A massive 15-year expansion by Singer has run into trouble. Jay Palmer, in New York, analyses

Singer's 'problem child'

OLD-TIME SINGER executives, brought up on the more rewarding and traditional business of making and selling sewing machines, were already describing it publicly as "our biggest problem child" as long ago as 1969. In the circumstances, the only really surprising part of Singer's newly revealed plan to shed its business machines division before the end of 1976 is that the decision was not made years ago.

To Singer's many outside critics, the business machines division has been a major mistake and an unnecessary burden from the word go. Comprising *a miscellaneous hodgepodge of* past acquisitions which developed calculators, data systems, and point-of-sale electronic terminals, the division's principal theme seems to have been to buy into popular and fashionable industries just before profits peaked, competition started and products became obsolete.

Mr. Donald Kircher (left) and Mr. Joseph Flavin

The effect has become apparent — at least in terms of profits — only within the last few years. Singer was especially vulnerable because of a heavy debt load and over-extended management expertise. Income of *$29m. from continuing operations* in 1974 was after $19.6m. of losses in the business division. The company's huge $37.2m. loss in the first nine months of this year almost certainly stems from the same source.

Case study

It is ironic now to remember that Singer's diversification programme in the mid-1960s (of which the business side is only one part) made the company a Harvard Business School case study in perfection. The man responsible for what many now insist should be viewed as a frantic 15-year burst of buying the wrong companies, at the wrong time and at too high a price, was Mr. Donald Kircher, who retired three months ago after a long leave of absence for illness.

Mr. Kircher, a man with an autocratic management style, took over the stumbling sewing machine giant in 1958 at the time of its greatest crisis. After almost exactly 100 years of surviving disasters such as a Soviet seizure of its $115m. Russian investment, and Nazi bombing of its British factories, to become the world's biggest sewing machine maker, Singer was in dire trouble. For the first time, its cautious policy of husbanding reserves to build up unnecessary amounts of liquid assets was not paying off.

Very simply, the problems were not ones Singer had faced before. Despite strong industry demand for sewing machines the company was getting slaughtered by a flood of inexpensive Japanese products. Between 1951 and 1957 profits fell 25 per cent., the company's return on assets dropped from 6 to 3.3 per cent. and its share of its own (U.S.) home market collapsed from 66 to 33 per cent.

Mr. Kircher's personal answer to the Japanese invasion was to modernise Singer's existing plants and to build new ones. He also improved the company's service and distribution networks, started an aggressive promotional campaign to sell the new and expensive up-market "zig-zag" model while simultaneously revitalising the company with new management talent. It paid off — by 1962 profits were well up and Singer's U.S. market share was back to an acceptable 40 per cent.

But it was clear that with near saturation in several key markets, the prospects for additional growth were limited. To reduce Singer's almost total dependence on sewing machines, Mr. Kircher opted for diversification and decentralisation. Between 1962 and 1973 Mr. Kircher bought some 22 companies in such diverse fields as tufted and knitting machinery, heating and air conditioning, furniture, housing, banking, valves, aerospace gear and electronics.

The cost was high—although quite how high did not really become apparent until recently. Between 1962 and 1974, Singer's long-term debt rose from $86m. to $405m. and, according to one recent Wall Street estimate, current total debt including both short-and long-borrowing now exceeds $1.25bn. At the same time, acquisitions were made for shares and both equity and critical management expertise were diluted.

Singer's purchase of Friden in 1963 at a cost of about $182m. in shares was one of its earliest acquisitions. Aside from marking what was eventually to become the foundation of the business machines division, it also was the beginning of what developed into a sorry saga of recurrent disasters. For Friden and the business machines division, more than any other part of the Singer empire, typify and illustrate the mistakes of the Kircher rule.

The acquisition of Friden, a maker of electromechanical calculators, all but coincided with the beginning of the boom in electronics which was to revolutionise the industry. When Friden's market collapsed and after Singer had purchased other smaller companies to support it, Mr. Kircher faced a choice of writing off the investment or pouring in cash to expand its tiny electronic operations and research unit.

Opting eventually for expansion was a critical element in Mr. Kircher's decision to buy General Precision Equipment in 1968 at a cost of $450m. for its aviation electronics technology. Unfortunately the almost immediate collapse of the aerospace boom left this investment looking sick just as the business machines division's subsequent foray into office copiers proved a very quick victim of mechanical failures, underinvestments and tough Xerox competition.

As it finally shaped up, the business machines division was built around the rump of Singer's calculators together with the more important (and more promising) electronic point-of-sale system to replace mechanical cash registers. Taken at its simplest this, together with an integral data systems programme, can offer a retailer a package to process mechandise, verify credit, and update inventory accounting and other accounting data faster and more accurately than ever before.

Quitting

While there is promise in the point-of-sale systems market, Singer has been facing narrowing margins and tough competition from firms such as NCR and Litton. Confronted by this and possible high losses in the immediate future, Singer's new chief executive clearly preferred quitting the field. A buyer for the division is being sought, but this is far from certain. Companies reportedly interested include Burroughs, Sperry Rand and TRW.

The decision taken by Mr. *Joseph Flavin, the former* Xerox executive who took over from Mr. Kircher two months ago, was not an easy one. By closing the division, he has started his career at Singer with a huge $325m. write-off in the 1975 accounts. At the same time, the company's creditor banks are demanding (in exchange for approving the divestiture) that Singer take the unpopular course of not paying any common dividend in 1976.

The business machines division may not be the only section of Singer to feel Mr. Flavin's axe. Such operations as housing, home heating, and the mail order business have all been mentioned as possible candidates for the chop and certainly additional streamlining is likely. About the only division which is entirely safe is the basic sewing empire which is now reported to be booming ahead.

Singer this year has already laid off more than 11,000 employees and under Mr. Flavin's new hand further tales of write-offs and retrenchment can be expected.

But whatever the cost, decisions are now being made and 15 years of haphazard expansion corrected. Coming after Mr. Kircher's autocratic rule—so autocratic that during his recent illness not one director was ready to take over, thus more or less crippling the company—this alone should make the company's prospects for recovery more credible.

The Middle-East fails to attract

BY NICHOLAS LESLIE

THE INCREASING willingness of top British managers to work overseas is reaffirmed in a survey to be published shortly. The survey also reveals that many have been actively seeking overseas employment in the past year.

Surprisingly, however, in view of increased efforts by U.K. companies to gain a slice of the rapid industrial development taking place in oil-producing countries, the Middle East figures well down the list of areas which senior executives would be willing to move to. Also of significance is the expectation by many—already earning below and above £8,500 a year—that their earnings over the next year will rise by considerably more than the £6 a week limit.

The survey has been carried out by Business Development Consultants (International), a U.K.-based management consultancy specialising in recruitment of senior management and technicians. BDC sent out 1,875 questionnaires to top management—chairmen, chief executives and executive directors of most of the Times 1,000 companies and the public corporations. Of the 450 replies received, 414 were sufficiently completed to be included in the survey.

BDC found that one in seven top managers had actively pursued overseas employment in the past 12 months, while 80 per cent. were more willing to work full-time overseas compared with 58 per cent. of respondents to a survey a year ago. Among the "more willing" category, a breakdown showed [illegible] per cent. of the 40 and under age bracket as ready to move overseas, compared with 72 per cent. a year ago: 85 per cent. in the 41 to 50 bracket, against [illegible] per cent.; while in the 51 and over bracket the percentage has nearly doubled from 44 to [illegible] per cent.

It is clear that the steady erosion of the reward which managers are seeking is the prime factor motivating the "more willing" sector. Asked to give their main reason for wanting to move overseas, 46 per cent. indicated "greater total rewards," compared with 28 per cent. a year ago, while envy of others diminished from 40 per cent. to 13 per cent. The lower taxation to be found outside the U.K. was the main factor among 21 per cent. of respondents, which was up on the 15 per cent. 12 months ago. Strangely, perhaps, higher living standards elsewhere was less important at 12 per cent. against 14 per cent.

North America and North Europe were the two most popular areas among the top executives as possible places for employment, the former topping the list with well over 50 per cent. willing to go there, and only 5 per cent. ruling it out entirely. In contrast, only 5 per cent. were keen to go to the Middle East, while 44 per cent. ruled out the area. Nobody wanted to go to either East or West Africa.

The survey confirmed the finding of other surveys that top managers are financially not keeping up with inflation, with 73 per cent. falling into that category and only 14 per cent. having kept ahead, the remainder being static.

But it is the expectations of current-year earnings which are interesting. Among those earning under the £8,500 cut-off level for the £6 a week increase, only 28 per cent. felt that they would get an increase of under £315 a year, while 44 per cent. expected between £316 and £999 more and 28 per cent. more than £1,000. In the £8,500 a year and above bracket, all expected some sort of increase, with 35 per cent. looking for between £1,000 and £2,000 and 29 per cent. above £2,000.

Further, among those looking for increases, only 25 per cent. cite "increased responsibility" as the reason, while 70 per cent. cite "doing the same job." The remaining 5 per cent. expect to achieve greater earnings with another employer.

The report will be published on January 6 and will be obtainable, price £5, from BDC, at 26, Dorset Street, London W.1.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Private company dividend limitations

Referring to your reply of November 26 headed: Private company dividend limitations, the following is part of a letter received from the Pay Board in 1974: "I would, however, draw your attention to the Counter Inflation (Dividends) Order 1973—SI No. 1973, 659 and 1801—in which special exemption is given to close companies to the extent they increase dividends in order to comply with the special tax rules governing such companies." How do you reconcile this with your view that there are no restrictions of private company dividends in advance of payment?

You will appreciate that it is difficult to comment on part only of the relevant correspondence. However, the two Orders referred to apply only to companies incorporated in the United Kingdom "whose equity share capital is for the time being quoted on the official list of a stock exchange in the United Kingdom"—see Article 3 of No. 659. The expressed exemption of close companies cannot bring into the ambit of the order companies which are not within the definition cited above.

Capital gains and investment trusts

I refer to your answer under "Business Problems" on Wednesday, August 20, in reply to an inquiry concerning the tax credit available on disposal of shares in an approved investment trust.

I am unable to reconcile the example you give with section 112 (3) of the Finance Act 1972. Surely the amount of tax credit to be claimed in your example is calculated by reference to paragraph (b) of that subsection—this being the "amount which is the smallest," that is to say 16½ per cent. of £50 (the net chargeable gain on the disposal of qualifying shares). In this case the tax credit is £8.25 (not £33) and the net CGT payable becomes £51.75 (not £27). Have I gone wrong?

In our example, the three limiting figures under subsection 3 of section 112 are: (a) 30 per cent. of £200 = £60, (b) 16½ per cent. of £270 = £44.55, (c) 16½ per cent. of £200 = £33.00.

Although it might appear logical to set allowable losses on qualifying shares primarily against chargeable gains on qualifying shares, in calculating the second of the three limits, the words of subsection 3 do not in fact require this (even when read in conjunction with sections 23 (2) and 20 (4) of the Finance Act 1965). This is what we intended to imply in the brief remark that "there will be no consequences at all from the fact that any shares disposed of nominally qualify for section 112 relief . . . . if qualifying shares are sold at a loss . . . ."

The apparent generosity of subsection 3 (b) was perhaps prompted by the complications which would otherwise have been added to an already complex piece of legislation. For example, it would have been necessary to segregate losses brought forward from earlier years into two classes, and the application of subsections 6, 7 and 9 to losses as well as to gains could lead to formidable calculations.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● INSTRUMENTS

Microwave heating monitored

ONE OF the difficulties in heating and drying laboratory samples by microwaves lies in *determining the temperature of* the substance undergoing investigation.

Using conventional thermal ovens normal thermometric equipment can be used. However, with the increasing use in both industrial and scientific research laboratories of microwave heaters, this has until now posed a problem because of the need to read the temperature while the sample is microwave-activated.

Ordinary thermometric fluids such as alcohol are absorptive to microwave energy and would increase in temperature themselves. Mercury is not thermally affected but the evacuated area above the column will ionize and destroy the thermometer. A different non-absorptive thermometric fluid needed to be located which would not be energised in a microwave resonant cavity and would not need an evacuated area in which to operate.

Mercury Microwave Ovens of Wokingham, Berks. (0734 785190), has a thermometer, currently being patented, which uses xylene as the thermometric fluid. Research shows that temperatures within plus or minus 10 per cent. can be determined in the heart of the sample itself while microwaves are bombarding it within the cavity.

Further development is under way to allow the thermometer to be read from outside the microwave heater rather than by using magnifying glass through the apertures of the microwave cavity door.

● COMPUTERS

Redifon in micro deal

THREE-YEAR arrangements have been made for the supply of Interdata computers to Redifon Flight Simulation of Crawley, Sussex. Concurrent with the signing of the contract, Redifon has ordered a first system, an Interdata model 8/32 valued at over £100,000.

The choice of Interdata processors is based upon the special specification requirements of the U.S. military authorities.

The model 8/32 for Redifon will be the first to be delivered in the U.K. It is a high-speed 32-bit mini-computer system capable of directly addressing up to 16 megabytes of memory, and is therefore well suited for complex flight simulation applications. It will be delivered with 256k bytes of memory, two tape transports, five megabytes of disc memory, card reader/punch, 600 lines per minute printer, visual display unit and Interdata's Carousel terminal. Software includes a 32-bit multi-tasking operating system (OS-32/MT), Common Assembly Language (CAL) and FORTRAN.

The 8/32 was introduced in *April this year as the "world's most powerful minicomputer."* It has since been under evaluation by prospective users who need power, but without facilities offered by conventional mainframe manufacturers. Similar in architecture to larger computer systems, the 8/32 is a 32-bit machine compatible with the other processors in the Interdata range, including the smaller 16-bit machines. Compatibility, however, is a major contributing factor in the choice of computer suppliers by large users, since software and design investments are protected from obsolescence as new equipment is introduced.

Interdata is a wholly-owned subsidiary of Perkin-Elmer and thus a leading manufacturer of minicomputers and accompanying hardware and software tools for a variety of industrial, scientific and data communications applications.

Interdata is at Arundel Road, Uxbridge UB8 2RR. Uxbridge 52411.

● PACKAGING

U.K. closure system in Japan

FULL-SCALE production by the Airfix composite container process is to start in Japan early in the new year. This follows the successful completion of an intensive development programme carried out by Airfix Packaging Developments, of West Molesey, Surrey, and its Japanese licencees, Mitsubishi Monsanto Chemical Company of Tokyo.

The first production machine, a Windsor SP 130/140 Special, developed by GKN Windsor in association with APD to take maximum advantage of the process, has been shipped to Tokyo and tooling produced by APD is due to be delivered in time for production to start in February. The equipment will initially make overcaps for 1-litre and ½-litre ice cream containers and has the capacity to produce 25m. pieces per year.

The stringent regulations in Japan covering the use of plastic packaging make this one of the company's most important markets in view of the minimum quantity of plastic used in the process. The potential for selling machines and tooling to the Japanese is considerable, according to the company.

Airfix is at Armfield Close, West Molesley (01-979 8331).

Glyn Genin

In the fleet planning department of British Caledonian at Gatwick Airport, shown in the picture, monitors working on forward programming can call up from the main planning board at the rear any detail from the immensely complex fleet schedule through the remotely controlled camera and have it displayed on the screen. A simple joystick controller is used to select and pan and the equipment, installed by Rediffusion, allows up to four display positions to be served. The main board, to which information flows continuously from a computerised system which takes information from all over the world as well as from local engineering centres and operational headquarters, thus giving a quickly accessible bird's-eye view of fleet status which is particularly simple to alter.

● HANDLING

Lifts small but heavy loads

THE temptation for one or two people to handle the "small" load without mechanical assistance can easily result in damaged backs apart from maltreatment of the load itself claims Sverre Munck a/s of Bergen.

In conjunction with Swedish company Foralkraner AB, The Muscle has been developed. It is an electro-mechanical lifting device able to handle up to 225 kg. with the lifting and lowering movements operated by a quiet electronically controlled motor.

A handle at the end of the lifting arm itself directs the movement. The load can be moved with a precision of one millimetre in the horizontal plane and the speed is variable from zero to 0.5 metre/sec. Balance is good and the operator has the impression of moving a weightless object.

The Muscle can be stopped automatically in freely selected positions within the lifting area and it can also be programmed for use as a robot. Various gripping devices can be attached. Floor-fixed or mobile operation can be provided. Prices are between £3,000 and £3,500. More from Box 3151, 5001 Bergen, Norway.

● SERVICES

Tank-ends on demand

DELAYS in obtaining "ends," which in the U.K. have been a recurring problem for manufacturers of storage tanks and vessels for petroleum, chemical, food processing, transport and many other industries, may at last have been eased by Cookson and Zinn of Hadleigh, Suffolk.

For the first time in the U.K., they say, on a consignment stock basis, the company is giving guaranteed deliveries following an agreement with Atacon B.V., of Lemmer, Holland.

Stocks cover dished and flanged ends to BSS 1966 Table Seven in diameters from 4½ to 10 feet. Thickness ranges from 3 mm to 25 mm, in carbon and stainless steels as well as aluminium and its alloys.

Prices are kept low by a combination of low freight rates — achieved by shipping nested — and Atacon's method of production. End profiles are manufactured by the Liefeld of West Germany cold spinning process, which uses a versatile and powerful machine to give extreme speed of operation on repetitive work and a lower cost of manufacture with close tolerances.

Stocks of tank ends in normal sizes are so organised that a seven-day delivery will be maintained as the ideal to be striven for.

● ELECTRONICS

Ferranti's standard devices

ELECTRONIC Components Division of Ferranti has achieved success in TTL quality assurance by obtaining the first BS9000 Approval for Standard TTL devices to be issued by the British Standards Authority.

This follows the first ever BS9000 Approval for TTL products which was obtained by the Division for its low power TTL devices last year.

The first Approval Certificate has already been signed, enabling 26 basic gates and flip-flops out of the 70 standard TTL devices in the Feranti range to become BS Approved. The Division is now actively pursuing its Approval programme so that all the devices in the standard and low power product ranges can receive approval. This is expected to be complete by January 1976.

In addition, Ferranti has gained approvals against the BS9000 Hi-Rel specification. The BS9000 Hi-Rel specification has three, 100 per cent. screening levels known as S1, S2 and S3, which are directly equivalent to MIL-SPEC 883 Class A, B and C. Every device in the range should be approved to this standard by March 1976 and to accommodate this specification Ferranti has established facilities that provide the capacity to burn-in over 5000 devices per week.

To obtain BS9000 approval, the Ferranti devices have had to undergo long-term endurance tests, the conditions of which subject the devices to absolute worst case conditions. The Ferranti devices have comfortably met the tests laid down in BS9000 showing that they are capable of meeting the reliability figure of 0.04 per cent./1,000 hours normally demanded by military systems.

With this latest Approval, Ferranti is the first semi-conductor manufacturer able to offer TTL devices to BS9000 and by end-January 1976 approximately 100 standard TTL and LPTTL will have full qualification approval. This expansion in the number and capabilities of devices available extends the ability of Ferranti to satisfy the demands of the military and professional IC markets.

Ferranti, Gem Mill, Chadderton, Oldham, Lancs. (061-624 0515.)

● MACHINE TOOLS

Register of research projects

DETAILS OF nearly 600 research projects currently in progress in the U.K. are given in a new Register of Research on Machine Tools and Production Engineering published by the Machine Tool Industry Research Association.

The last edition of this register produced by the Department of Trade and Industry in 1972 was based on 1970 information and it has been felt for some time that an up-dated version was needed, not only to inform research workers and industry of current work but also to facilitate application of the results obtained. The present edition has been produced by MTIRA, at the invitation of the Department of Industry, to meet this need. It should prove invaluable as a means of preventing wasteful duplication.

The Register includes descriptions of 596 research projects being undertaken by 92 British university research departments, polytechnics and industrial research organisations.

Subjects covered range from properties, testing and treatment of materials, manufacturing processes, design and performance of machines, metrology and inspection to production planning and control.

An analysis of the projects listed shows little change of emphasis in research topics since 1970. As before, work on numerical control, machine tool dynamics, grinding, forging and production control come high on the list with research on noise and group technology now receiving greater attention than before.

Studies of the less-academic but none the less important subjects of swarf removal, safety and protection and energy conservation are still being neglected by nearly all research establishments.

Copies of the Register can be obtained for £4 from MTIRA, Hulley Road, Macclesfield, Cheshire, SK10 2NE Macclesfield 0625 25421.

Can read or print microfilm

A READER for 16 mm rollfilm, another for microfiche and an electrostatic printer module that can be clipped on to either have been put on the market by Kodak, P.O. Box 66, Station Road, Hemel Hempstead, Herts HP1 1JU.

Thus, on purchasing one of the readers, options are left open for later conversion.

Reader 322 accepts 16 mm microfilm and rolls, Kodak magazines, or 3M cartridges and will be available in manual and motorised versions. A further option provides odometer-indexed retrieval. Model 321 accepts microfiche, jackets and aperture cards.

Both readers have a choice of six lenses which provide crisp images of all formats up to 48 reductions and an image rotation prism is optional.

Printer 323 is an electrostatic module that clips on to the base of either reader, giving low cost, high contrast copies in seconds. At the flick of a switch copies can be made from either positive or negative microfilm.

Lighting up the stock problem

LASKYS, part of the Audiotronic Group, handles over 200,000 transactions a week. The company's rapid growth in Britain over the past three years from 20 shops in 1972 to 34 this year, has brought with it a massive job of stock control.

Audiotronic has placed an initial order for System 1450 light pen equipment with Plessey Data Systems, to provide the data capture basis of stock management system servicing HiFi shops throughout the South of England and the Midlands.

System 1450 enables Laskys to check its stock position constantly throughout the organisation. This not only answers the financial planning requirement, but also reaps rewards in customer relations: where a HiFi product is not available at one shop, it can quickly be located at another, for speedy delivery.

Audiotronic will be offering a comprehensive Plessey System 1450 bureau service early in 1976, which will include conversion processing, central labelling and use of the group transmission network outside. These facilities will be offered to smaller potential users, so that they will be able to have the advantages of the system, without the need to acquire high capital cost conversion equipment.

It is intended to establish the system internationally, with transmission links to Audiotronics continental HiFi interests in Holland and Belgium.

Audiotronics Holdings, The Hyde, Hendon, NW9 6JP (01-200 0444).

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WEDNESDAY, DECEMBER 31, 1975

A community of interest

THE YEAR 1975 does not, on the face of it, have much more to be said for it in retrospect than it did while we were struggling through it. A sour year full of retreat, schism and acute uncertainty, haunted by inflation and economic recession and punctuated by the explosions, literal and metaphorical, of ruthless minorities.

During the last 12 months the final vestiges of the post-war environment have been swept away. After the fall of Saigon, the United States enters its bicentennial year with its brief empire in ruins and the self-confidence on which its hegemony was based in tatters. The other feature of life in the Western liberal democracies since 1950—the certainty of steady economic growth and prosperity—has collapsed before the combined onslaught of domestically-induced inflation and the growing economic power of the Third World.

Landmarks

Not surprisingly, the disappearance of these familiar landmarks has opened up many unpleasant vistas. There is the vision of growing Russion military strength filling the worldwide vacuum left by the American retreat. This is disturbing on a geo-political scale and acutely worrying for the nations of Western Europe. Another possibility is the steady erosion of Western living standards, and consequently of the *foundations* of Western democracy, as a result of a prolonged and ever-tightening squeeze by the producers of primary commodities.

These apocalyptic notions arise easily enough in this country after a year such as the one which has passed and indeed they are to be found in one form or another embedded in much political and journalistic comment at the year's end.

But there are two things to be said about this proffered analysis. In the first place it is insular. We tend to load the rest of the world with the consequences of—and often the responsibility for—our peculiar British troubles. The United States and the two most powerful nations within the EEC partake of our social and economic troubles to only the most marginal degree. There has certainly been some profound shock to the American polity as a result of Vietnam and Watergate but the basic strength of the U.S. as an economic and military power and as a society whose political and social instabilities are well under control is not in doubt. The Marxists have never been able to explain satisfactorily why there is no American proletariat, and if twilight is creeping over any democracy it is not on the other side of the Atlantic.

The second point is that whatever elements of truth there are in rival critiques of the British problem, the root of the trouble is unlikely to be reached by the panic remedies to which Left and Right both tend to be attracted. We are in a psychological and social crisis, and however desirable it might be in Socialist or Conservative theory to adopt this drastic measure or that, no sane political leader should tread this path at this moment. Violently egalitarian reforms and massive extensions of public ownership are as inappropriate on one side as headlong confrontations with the unions or extreme monetarist solutions would be on the other. What the country needs to discover in 1976 is not so much equality, the talisman of the Left, or Liberty, the talisman of the Right, but a little of the other, more neglected, member of the revolutionary trinity, Fraternity.

Sensible

This need not mean anything as precise as the restoration of the Centre in British politics or the adoption of "Sir Keith Joseph's "Common Ground" (which to the critics looks suspiciously like an exclusively middle-class paradise). But it does mean a recognition by politicians that ordinary people of all classes are frightened but still sensible. The majority in Scotland does not want a separa*tion of the Kingdom. The* majority in most unions does not want to declare industrial war. The majority in the country does not, by and large, feel outraged that there is no Wealth Tax. The majority does not resent expenditure on defence. In short, the majority does feel a community of interest and a patriotic desire, however incoherent, to stop the rot; and that, surely, is something to build on.

Working with the wrong figures

WITH something of a fanfare, the Central Statistical Office yesterday produced an "important new publication," an annual supplement to its monthly Economic Trends, which, it is claimed, gives long runs of key figures. However, one key figure which is not presented, in long or even short runs, is real national income, which one might suppose was the most basic figure of all. This oversight would hardly be worth noting if it simply marred one book of official numbers; but unfortunately the numbers are a reflection of a deeply serious mistake *in official policy. This* is why they need to be put right.

The difficulty

Readers may find it hard to believe that the national tables have simply been left out; and of course they haven't. There is an exhaustive analysis of gross domestic product at current and at constant prices. The difficulty is that for a trading nation output, even in real terms, is by no means the same thing as income, any more than it is for a company or an individual. Income is the result of selling that output; real income is what money income will buy. Just as individual real income is affected by the cost of living, national real income depends partly on the terms of trade. Since between 1970 and 1974 the real purchasing power of a given volume of British exports fell by no less than 25 per cent., this is not just an academic niggle; it is the difference between output which is now about the same as in 1970, and income which has been reduced in real terms by more than 6 per cent.

The Central Statistical Office, to do it justice, pointed out this large and important discrepancy a year ago, and has subsequently published figures *every quarter for real disposable* national income, as it has been christened officially: they can be dug out of the Blue Book and from various Press releases, and from next month they will begin to appear in Economic Trends itself—an excellent New Year resolution.

But have policy-makers been converted, as well as the official statisticians? That is much more doubtful. If income, not output, is the appropriate measure of resources available for sharing out between various national objectives, a forecast for income ought clearly to be a central feature of any national incomes policy, any plan for the future allocation of resources. There is all too little sign that the thought has ever occurred to those who have planned incomes policies or resource expenditure in the past.

Policy-makers

Public expenditure White Papers, for example, base their plans on projections of the growth of national *output* — which largely explains why quite a modest "volume" growth in public spending has become such an insupportable burden. The same mistaken idea that output is the same as available income led to the disastrous experiment with thresholds under Mr. Edward Heath. There is still no sign that the medium-term assessment on which the Treasury bases its spending plans is based on any view of the future terms of trade. It will be good to see the figures, but much better to know that somebody intended to act on them.

1976 PROJECTION ▷ The U.K. Economy

A year of uncertainties and unknowables

By ALAN A. WALTERS, Cassel Professor of Economics at the LSE

IN 1975 the British economy has been sinking into a slump. We may remain in depressed conditions during 1976, keeping a moderately tight rein on domestic demand, and wait for the upturn in world trade to pull us out. This would take a long time, but eventually —perhaps in 1977/78 — the economy would emerge with stability and some strength. On the other hand, the Government may take steps to try to lift the economy out of the slump. Then there is likely to be an explosion of the money supply, a new surge of inflation in 1978/79 and all the ingredients of yet another inflationary depression.

The Government is most likely to take the inflationary option (no doubt it will be called, euphemistically, the "expansionary" or "go-for-growth" policy), partly because of pressure to "do something" about unemployment, partly because of the lower rates of inflation in 1976, and above all because it will see no politically attractive alternative. Chrysler is *merely a foretaste of this* emerging policy. But there are many possible events that may critically affect the Government's posture.

International creditors

Perhaps the most important is the attitude of our international creditors—and, indeed, our treatment of them. As a *condition of a new line of credit,* the International Monetary Fund could insist on the Government's undertaking very large cuts in its spending programme and imposing severe limits on the supply of money. A tight rein on domestic demand would continue and even exacerbate the slump in 1976 and into 1977. But at the end of it all there would be a good chance of emerging with a steadily declining rate of inflation, some chance of repaying foreign creditors, and, if Government shackles are taken from business, a better basis for industrial expansion. Because it will appear already that the inflation is abating, the likelihood of our taking such a cure in 1976 is, however, small.

There will in the coming year be some further reduction in the rate of inflation. Monetarists forecast this decline some two years ago, and it seems to be running exactly true to prediction. This slowing down of inflation will probably persist through much of 1976, though I expect the rate still to be in the region of 15 per cent, with a fall below 10 per cent. for any long period unlikely.

Real output is likely to start growing again in 1976, if only because in 1975 it has dropped to such absurdly low levels, below even those of the recession of 1970. (Readers may recall that last December I forecast a 2 per cent. *decline* in output as the most likely outcome for 1975 whereas the Treasury forecast *growth* at an annual rate of 5 per cent. in the first six months of 1975.) I suspect that the rate of growth of real output, however, will be quite small despite the promising signs of increasing profits.

The dividend receiver, however, will get short shrift. Prevalent opinion regards profits merely as a source of investable funds to provide jobs: profits that are distributed as dividends are largely wasted on consumption rather than used in job provision. The saver is defenceless and will continue to be shorn, probably as a quid pro quo for the unions' accepting some form of continued "guideline" control over wages.

The size of the public sector borrowing requirement *dominates all economic policy* and all predictions for the U.K. It has to be financed by borrowings from foreigners, either directly or indirectly, from the non-bank private sector, or by borrowing from the banking system. During 1974, the primary source of funds was the near £4bn. borrowing (of which some £1.5bn. was borrowed directly by the public sector) from foreigners occasioned by the record balance of payments *deficit on current account. The* authorities did not need to resort so much either to borrowing directly from the banking system or from the non-bank private sector in order to meet the mounting cash requirements of the public sector.

In 1975/76, the situation has been changing considerably. The balance of payments improved by about £1.5bn., and so the provision of foreign money to finance the borrowing requirement was much reduced. Fortunately for the Chancellor, and for the U.K., the private sector increased its stock of financial assets by about £4bn. and bought much gilt-edged stock. Nevertheless, the borrowing requirement has been so large that the Chancellor has had to resort to considerable short-term borrowing.

The very rapid expansion of Treasury bills in the portfolios *of banks has created the reserve* base for an explosion in the money supply. Whether the banking system will expand its credit to the business community depends very much on the demand, which, in turn, depends on the level of activity. Indeed, as industry starts to restock and invest, the rate of growth of the money supply will be augmented by the deposits generated by loans and advances to industry. The Government could prevent this explosion of the money supply by calling for special deposits from the banking system and so sterilising these reserve assets; but that would merely reduce corporate borrowing from the banks and, according to conventional wisdom, delay the emergence of the economy from the slump. I suspect that the Government will not knock the boomlet on the head, and will allow the money supply to expand in line with "the needs of trade." The inflationary effects of this expansion will be delayed for about 18 months to two years, but the effect on the balance of payments will be quick and sharp.

Of all accounts, the balance of payments is the most difficult to forecast. I suspect that, if industry recovers and the Government allows the money supply to grow rapidly, there will be a vast increase in imports (assuming no general import quota controls) and a reduction in the rate of growth of exports, so that the current balance will swing back into more substantial deficit.

One would expect to see some further depreciation of sterling during 1976 as the demand for pounds is reduced and the burgeoning imports run down stocks of foreign exchange. Just how far it will sink is very difficult to forecast: my very tentative guess is that it will be about 1.8 or so against the U.S. dollar towards the latter *half of the year, but even 1.6* is possible given the fact that the U.K.'s inflation rate is 10 to 15 per cent. higher than that of the U.S. Such a depreciation will not affect the current balance much during 1976.

More important in the Government's eyes, the depreciation of sterling will be thought to add to the rate of domestic inflation. (In fact, it does nothing of the kind; the British inflation is a domestic product of British Government deficit finance.) Nevertheless, import quotas, beginning modestly enough, as we have just seen, with "special cases" but later being extended more generally, but "selectively" (picking the winners or the losers?) as the clamour for them grows, may well be irresistible. The City, I believe, takes comfort in the widely held view that even a Socialist Government would not dare to create a siege economy; retaliation would be feared, and sources of overseas borrowings would dry up.

The belief is that the Government will somehow be induced to adopt sensible policies because of the pressure of our trading partners and, in particular, the demands of our overseas creditors (including the IMF). It occurred in 1968, so why not again? That is, however, cold comfort. The complexion of the domestic and international monetary scene has changed so much that history cannot be relied upon to repeat itself.

First, the power of the left is much more pervasive to-day than ever before; the pressure to seek some Socialist and authoritarian way out will be strong. Secondly, international capital markets have greatly expanded and the IMF's role has radically changed under the regime of general floating of rates of exchange.

For example, it may be urged that under conditions of inflationary depression the domestic economy should *not* be deflated in order to reduce imports; selective import controls combined with expansionary policies, which would *benefit* other imports, would be much more preferable. Such seductive arguments will be put forward in aid of the pursuit of the dirigiste-inflationary solution. True, one may then be denied the relatively cheap funds of an IMF loan, but the higher interest rates of Eurodollar loans will be represented as a small price to pay for Britain's freedom from "letters of intent." For these reasons, I am not convinced that a worsening balance of payments, with apparently no credit balance in sight, will stimulate proper anti-inflationary Government policies either directly or through the pressure of our creditors.

FORECASTS OF FINANCE

	FINANCIAL YEAR 1975/6 £bn.	1976/7 £bn.
Public sector borrowing requirement	12	14
Financed by:		
Foreigners (direct and indirect)	2	3
Non-bank private sector (less foreign borrowings)	5	4
Borrowing from banks	5	7

FORECASTS OF INFLATION AND GROWTH

	1975 %	1976 %
Rate of inflation	24	15
Rate of growth	(−2)	2

Second only in difficulty to forecasting the balance of payments is the task of predicting what savings will be. The most remarkable phenomenon of 1975 was the massive growth in the surplus of the personal sector. (Incidentally, it was not foreseen by any economist—including me.) This surplus has been in the region of £1bn. to £1.5bn. for many years, but suddenly in 1974/75 it roughly quadrupled to £5bn.

Although there are tentative signs that it is falling slightly, many authorities have argued that it represents a more or less permanent change in the savings habits of the population.

Perhaps so, but I suspect that a contributory factor was the vast and unprecedented re-distribution of income that occurred in 1974 and the first few months of 1975.

This massive increase of over 11 per cent. in real wages, reflected in large part the expectation that controls more onerous than the amorphous social contract were about to be clamped down. Such a performance could not be repeated, and both union leaders and wage-earners knew this.

Real wage windfall

The recipients of this sudden transfer of real wage income could not be expected to spend it immediately—they put it into building societies and similar institutions. Of course, this real wage windfall was taken from someone else: mainly owners of assets.

If this picture is correct, then the high savings which we have observed during 1975 will fall back to their normal level during 1976 and 1977. In particular, it would be wrong for the Chancellor to be advised that the borrowing requirement of 1976/77 can be comfortably financed in large part by sales of long gilts to the personal sector.

Nor can we expect the corporate sector to have a large financial surplus. In spite of the destocking and very low capital investment, it is likely that in 1975 the surplus will be only about £500m. or so. True, North Sea oil revenues are likely to add some £800m. to cash flow in 1976. But against this must be set the demands for funds for investment. The business of merely rebuilding stocks will soak up a substantial fraction of funds that companies are allowed to earn. In the prevailing atmosphere of uncertainty and despondency a new investment boom seems unlikely; and on that assumption, I would suggest a corporate surplus of between zero and £1bn. as the most probable outcome.

The seeds of inflation

The result is familiar. With a public-sector borrowing requirement of perhaps £14bn. in *1976-77, net sales of gilts to the* private non-bank sector of £4bn. and foreign borrowing of some £3bn., there is a minimum shortfall of about £7bn.

The Chancellor has said that he would not "want to see that growth (of the money supply) over any sustained period exceed the rate at which money Gross Domestic Product was increasing," but he went on to emphasise his "readiness to use the various methods available to the authorities to influence monetary conditions so as to fit the Government's overall economic policies." I suspect that the Chancellor will see the growth in the money supply at a more rapid (indeed, much more rapid) rate than the money GDP as an essential element in achieving the Government's overall economic policies, which will include an expansion of employment and investment, together with the continuation of Government so-called social spending programmes.

In 1976 the seeds of the great inflation of 1978 are likely to be sown. Professional Panglossians will see salvation in the wells of the North Sea, or, if not the North Sea, then something else will turn up.

One final thought. Having written these forecasts for the *Financial Times* these many years, I am conscious of how little confidence I have in my predictions for 1976. The uncertainties and the unknowables are more numerous and more important than in any year that I can recall. Take comfort, there may be some sea-change, quite unforeseen by me, which will radically improve the state of the British economy in 1976. I hope so.

MEN AND MATTERS

Looking for the right Welsh man

The proliferation recently of new Government agencies has its devolutionary aspects, with the British National Oil Corporation being based in Scotland and the birth tomorrow of a little brother for the National Enterprise Board in Wales. Yet the Welsh Development Agency is still short of one key appointment—that of the chief executive.

The delay, suggesting that the Government is having some difficulty in persuading the right man to take the job, comes on top of rumblings in Wales over the first appointments to the agency (shades of the recent rumpus over the lack of experienced oil executives on the BNOC). The chairman is Sir David Davies, former general secretary of the Iron and Steel Trades Confederation and his deputy is Thomas Roberts, like Davies recently retired and under whose chairmanship the British Transport Docks Board's South Wales ports have been modernised and made profitable.

To back up these two and the chief executive, when he comes, is a fairly elderly seven-man Board with an average age of 57 and only one member under 50. The list draws *heavily on the Welsh* "great and good" with several of the members already holding a number of appointments on other Welsh bodies.

Thus there are some fears whether the WDA, with £100m. to spend over five years, will have the muscle to support the adventurous chief executive to seek new approaches to the old problems of bringing industrial growth to Wales.

Clearly, the character of that chief executive will count for much, and the front-runner for the post seems to be Ian Gray, at present general manager of Skelmersdale Development Corporation. Gray, 49, left Cardiff for Lancashire four years ago after building a good reputation as the director for Wales of the then Department of Trade and Industry.

Though he is the favourite, there are a couple of other names on the short list. Picking is a Government responsibility, but doubtless the question will be near the top of the agenda for Friday's first meeting of the WDA at Treforest, near Cardiff, with chairman Davies commuting in from his St. Albans home for the occasion.

Ladies first

How pathetic, observed a female colleague yesterday, that the grand Government design to end sex discrimination was apparently celebrated by concerned women doing nothing more inspiring than storming male drinking preserves.

There were no reports, however, of a similar male reaction at a couple of bars that had hitherto been reserved for women. The White Lion in West Kirkby did take down its "women only" sign from the snug bar, but the Willie Muir Roadhouse in Edinburgh is leaving well alone for the moment. And as far as the whole subject is concerned, I half-promise to do the same.

Dart sharp

There is no doubt that the News of the World darts championship carries the greatest prestige in the darts world, but the unlikely combination of brewers Watney Mann and British Rail's Inter-City service can claim the richest tournament. This weekend 850 competitors from all over the country will be gathering at two London hotels to compete in singles and doubles tournaments with total prize money of £4,000 at stake.

Darts is reckoned to be Britain's most popular participation sport these days with between 5m. and 7m. regular players enjoying the game in pubs and clubs around the country, which in itself could be a good enough reason for Watney to get involved in sponsoring the sport.

"So this is what they have been saving for."

I have written in the past about sponsorship and the dubious benefits that many companies obtain for large cash outlays. But by sponsorship standards £4,000 is peanuts, and these sponsors can at least show some direct benefit from the tournament.

Watney, of course, is part of Grand Metropolitan, and its sister company within the group, Grand Metropolitan Hotels, although not directly involved in the sponsorship, is also getting in on the act. Competitors in the tournament are being offered a full package deal for the tournament which includes rail fare, two nights' accommodation in a Grand Met hotel on a bed and breakfast basis, as well as the chance at one of 84 cash prizes with the winners receiving £1,000 each.

In exchange, Grand Met gets a fair return. It is estimated that the group will be filling 800 of its London hotel bedrooms which would not otherwise be occupied at this off-peak time of year. Last year the event attracted some 1,000 spectators, and Watney reckons that it sold 10,000 pints of beer, which is not bad even at subsidised prices.

British Rail doesn't do so badly on the deal either. Taking competitors alone (leaving aside the fact that many of them make it a family outing) and assuming an average travelling distance from London, British Rail reckons to pick up an extra 87,000 *passenger miles* as a result of the event.

Holiday out

Staying with Watney, there is a somewhat unfortunate piece of layout in the house magazine *Mortlake News*. Page three of the December issue carries a message to staff from Allen Sheppard, chief executive of Watney Mann and Truman Brewers. Inter alia he says "In wishing you prosperity in 1976 I know you wil understand that it is everybody's individual efforts that add up to our success and security in the future." He ends up: "A very happy Christmas to you and your families."

Immediately underneath is an item headed "Closing down." It begins, "The company's holiday home, Watney House, Bognor Regis, will not be available for *holidays in 1976.* The present serious economic climate makes it necessary for every item of expense to be reviewed and as part of this review the WMTB Board has reluctantly decided that Watney House cannot be continued." The article concludes: "The property will be sold, hopefully as a going concern."

Culinary

Last apt name story of 1975. The mariage register of St. Mary's, Westminster, records the Union in February, 1851, of Charles Beans and Rebecca Bacon.

Observer

1976 PROJECTION ▷ The American Economy

The dog that did bark, but went unheard

By PROFESSOR PAUL A. SAMUELSON, Massachusetts Institute of Technology

THE GREAT depression that so many people feared a year ago did not occur. The view of monetarists that U.S. recovery could not begin before the final months of 1975 at the earliest *proved to be about as* unlucky a guess about the future as had been those zealots' earlier guess in the late summer of 1974 that the serious year-end slide-off would not occur.

What did happen was that recovery began in the American economy after the first quarter of the year—about in line with the preponderant majority of the many "consensus" forecasts that I monitor. Our recovery came long before that of Germany, Japan, and the rest of the world generally.

Malignant pattern

The Keynesian measures of *fiscal and monetary* expansion that 23 out of 28 of the economic experts urged at the September, 1974, Summit on President Gerald Ford and Federal Reserve Governor Arthur Burns—and which received a cool hearing at the time—proved for once to be about the needed dosage to bring to a halt what could have turned into a nasty slump, nasty but presumably not endless in the malignant pattern of the 1930s.

As it was, the U.S. economy *experienced a growth recession* from March 1973 to July 1975. And the magnitude and the sharpness of the decline following the summer of 1974 constituted the most serious American recession since 1939, the most serious in the Age of Keynes.

Economic historians will probably deem 1975 the year with the most worldwide stagnation of any in the last 40 years. Recently the International Labor Office reported more people in the world listed as unemployed than has occurred since the mid-1930s.

A careful estimate of whole-world Gross National Product, by Dr. Herbert Block for the U.S. State Department, calculated that real GNP on this planet grew in pre-recession 1973 by 6.8 per cent. Such a number, helped to be sure by a respite from bad weather, puts quite in the shade the typical good years of historic capitalism under Queen Victoria or President Teddy Roosevelt. *And it puts* into a new perspective the flat-footed assertion of Club of Rome neo-Malthusians that the growth game is now, willy-nilly, about played out.

We have become tired of hearing about "the dog that didn't bark." But never dreamed of by Conan Doyle was the case of the dog that barked loudly and yet no one seemed to hear. While the first six months of the American recovery were proving themselves to be about as exuberant an expansion as the minority who had predicted a "V-bottom" could have wished for, sober men of affairs kept doubting that the economic recovery had yet begun. Even the experts were astonished to learn that real output had grown in the third quarter at a 13 per cent. annual rate.

1976 QUARTERLY FORECASTS FOR U.S.

CHASE ECONOMETRICS

	I	II	III	IV	4-quarter average
Real GNP growth* (%)	6.2	6.5	5.6	6.0	6.1
Price index growth* (%)	5.6	6.0	6.2	7.8	6.4
Money GNP growth* (%)	12.1	12.8	12.1	14.2	12.8
Money supply growth* (%) (M1: currency and demand deposits)	7.9	9.0	8.1	8.2	8.5
Profit growth* (%)	41.4	22.3	16.4	25.7	26½
Unemployment rate	8.1	7.8	7.5	7.4	
Short-term interest rates (91-day Treasury bills)	6¼%	7 1/8%	7½%	8%	
Long-term interest rates (AAI corporate bonds)	9¼%	9⅜%	9 9/16%	10 1/16%	

* Percentages are expressed as annual rates

Lingering doubts

Similar lingering doubts remained over whether our inflation was really abating. Whereas the 1974 increase in living costs had been in the low double-digit range, about 12 per cent., living costs have risen less than 8 per cent. this last year. Cold comfort perhaps, but still comfort.

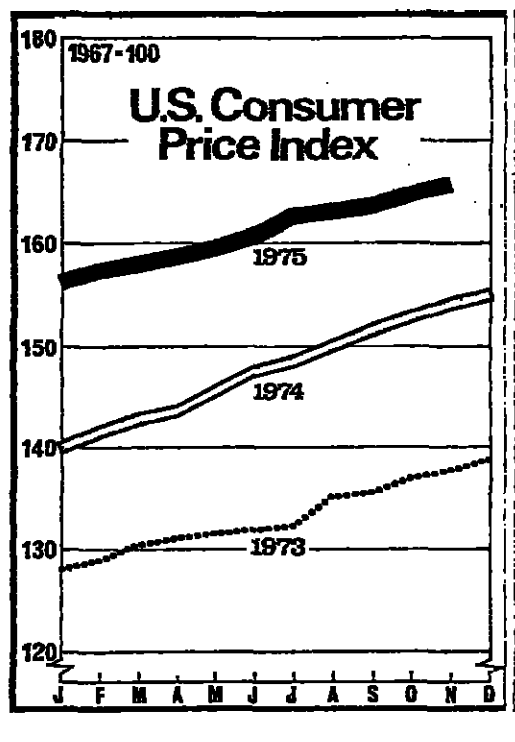
Moreover, like 'Liza Doolittle, those who counsel policy moderation keep saying, "Just you wait. Double-digit price inflation is waiting to break out again, given any encouragement from over-expansionary fiscal and monetary policies." Whereas Cassandra preened herself on being always right, albeit unheeded, the wisest know that any prediction of hers reiterated enough times will some day have reality meander into agreement with it.

None the less, 1976 is an election year. And this may shade the odds in favour of a more expansionary fiscal policy. It could also bias Federal Reserve monetary policy in that same direction. But, I am told by Washington gossips, Dr. Burns is so sensitive over the charge that he erred on the high side in 1972 to help Richard Nixon's re-election that this time he will lean over backwards to affirm his non-political credo.

Consensus forecasts

Against the above background, one can understand why the consensus forecasters who have been worth listening to in the past—as for example, in alphabetical order, Chase Econometrics (Dr. Michael Evans), the Conference Board (Dr. Albert T. Somers in his private capacity), Data Resources, Inc. (Professor Otto Eckstein of Harvard), George Perry and Walter Heller, the Wharton Penn Model (Dr. Lawrence Klein *et al.*)—are in general agreement on the following projections:

1 1976 will be another year of continued U.S. economic expansion: real GNP is likely to grow about 5½ to 6 per cent. in the calendar year, which is above our long-run trend rate of potential growth by 2 per cent.



2 Employment will rise as production increases. But productivity ought at this stage of the trade cycle to continue to do better than its disappointing *performance in the early 1970s.* This, plus the return of discouraged job seekers to the labour market and the continuation of the trend towards more wives seeking paying jobs, will moderate progress in reducing the unemployment rate. By year's end, *1976* unemployment will probably be as near to 7½ per cent. as to 7 per cent.

3 1976 is a big year for union collective bargaining: the rubber workers, teamsters, electrical equipment workers, and auto workers will set the pattern for wage rises. Labour experts expect settlements to show no further moderation, rather to be in 2 digits. The general rise in *wage rates may be about 8 per* cent., with unit-labour costs rising considerably less.

4 Predicting future inflation is chancy. The experts are betting that the consumer price index will rise anywhere from 4½ to 8 per cent. in 1976 itself, with most guessers opting for a 6 to 8 per cent. range.

5 Interest rates a year from now, on the above scenario, are more likely to be higher than now rather than lower.

6 Corporate profits have been *rebounding. More*over, a smaller fraction of them represents inflation windfalls. Therefore, real (or "deflated") profits may by the end of 1976 be 50 per cent. above their trough level of late 1974.

What this suggests for Wall Street share prices, no academic expert will dare guess

7 Finally, the U.S. will increasingly provide a good market for exporters such as Japan, Germany, and the rest of the world generally. Up until *now* America's trade and current export surplus has turned out to be remarkably strong. The fact that our expansion is coming earlier than *those abroad ought to imply an* increase in our total imports, and some 1976 reduction in our present balance of payments strength. Any tendency for the U.S. dollar to float upward, as expansion in Europe and Japan catches hold, will reinforce this trend and be favourable for continuance of recovery abroad.

* * *

Dr. Michael Evans of "Chase Econometrics" has generously permitted me to reproduce the forecast shown in the accompanying table. *Most of the other* well-known forecast models would not differ much in essentials from the story told there, except possibly in the following respects.

Rather more gloomy

Dr. Evans envisages a bit more real growth than many of the others. In consequence he *is rather more gloomy than* them about the likelihood of reacceleration of inflation toward the end of next year. And this explains his *pessimistic outlook concerning* rising interest rates toward the end of the year.

All things considered, the U.S. economic recovery has been as good as anyone had a right to expect. If the fashionable forecasts turn out to be near the mark, 1976 will be a decidedly better year.

But, taking into account the heavy burden that unemployment places on those people already heavily burdened, my own preference would be to utilise the leverage of an election year to pursue policies that would quicken the recovery by a perceptible degree. The first year and a-half after the most serious recession of the post-World-War-II epoch might properly aim for something like a 7 per cent. real growth rate.

However, one learns that one cannot always have one's wishes realised in a populist democracy. And I have to admit that the story told in the accompanying table is far from a wretched prospect.

... and the outlook for Europe

Courage as the old order changes

By MALCOLM RUTHERFORD

THE ARTICLE in this space a year ago was headed: All eyes on the U.S. The same applies to-day, if for different reasons. Then, Europe was looking to the U.S. for a lead to end the world recession. A year and several reflationary packages later, the economic outlook for the industrial democracies is one of moderate expansion, though it looks as if the recovery in Europe will trail behind that of the U.S. and Japan.

The prospects are not very satisfactory, but at least some of yesterday's worries about recession leading to political instability have eased. The French have not taken to the barricades, and in West Germany there is a reasonable chance that Chancellor Helmut Schmidt's coalition will be returned to power in the Federal elections next autumn, despite having presided over 1m. unemployed.

Europe, however, continues to look over its shoulder at the U.S. because political develop*ments there have become so* uncertain. Next year is a Presidential election year with a difference. The incumbent President is seeking not re-election but election, since he was not elected to his office in the first place. At present, he appears unsure even of his own party's nomination. All this is happening at a time when the U.S. has patently not recovered from the shocks of Vietnam and Watergate and the revelations about the activities of the Central Intelligence Agency. It is also a time of exceptional fluidity in international affairs.

Role of the U.S. in doubt

It is quite possible, for example, that 1976 will see changes in the leadership in both Moscow and Peking, and perhaps the departure of President Tito in Yugoslavia. Any or *all of these events would re*quire the closest vigilance, but it is not certain that the U.S. is capable of reacting except in terms of domestic political considerations. The continuity of American foreign policy and, indeed, the role of the U.S. as a world power are in doubt.

Those examples are conjectural, but there are others which are unavoidable and where the U.S.'s action, or inaction, will be crucial to stability. The Middle East is one, East-West detente another, and the north-south dialogue a third.

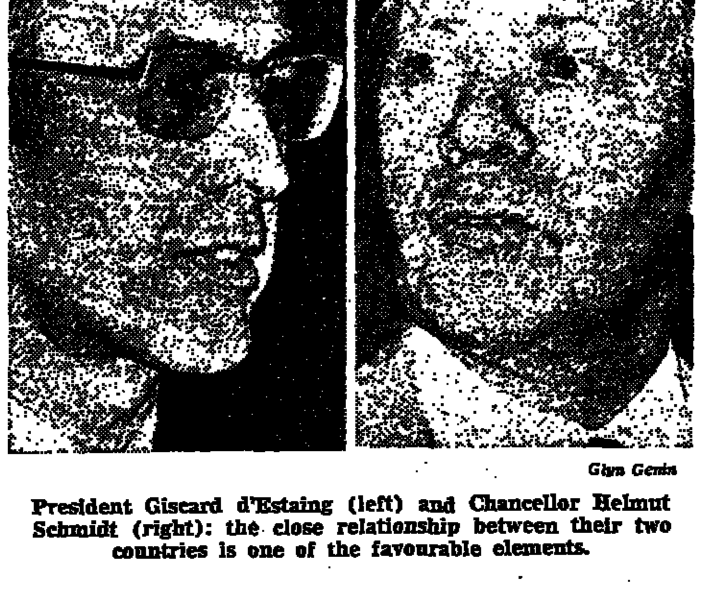
Dr. Henry Kissinger's step by step diplomacy in the Middle East has run into difficulties. The Sinai Agreement between Egypt and Israel should have been followed by another between *Israel and Syria, but the* Syrians have refused to play. Instead, they have adopted a policy which the Americans have been powerless to stop, of pressing the claims of the Palestine Liberation Organisation (PLO) through the United Nations. Next month it looks as if PLO representatives will take part in a Security Council debate. The Israelis do not like it and have once again been quarrelling with the Americans, despite the fact that in the last resort the U.S. is Israel's only ally. Clearly the Israeli hawks must hope that preoccupations with domestic politics will prevent the *U.S. Administration's* seeking more Israeli concessions in what is probably Dr. Kissinger's last year in office. Ironically that must also be the hope of the Arab "rejectionist front." But if Dr. Kissinger's gradualist diplomacy is out, the situation again becomes unpredictable.

Prospects for detente

Less than six months after the signing of the final act of the European Security Conference in Helsinki, the prospects for East-West detente, too, have become distinctly cloudy. Indeed, Helsinki itself seems to have marked the turning point away from, rather than towards, the further relaxation of tension. The timetable foreseen last summer was for a second Strategic Arms Limitation Agreement (SALT 2) between the Americans and the Russians some time in the autumn. It was to have been ceremoniously signed by President Gerald Ford and the Soviet party leader, Mr. Leonid Brezhnev, in Washington. Next year would then have become the year of MBFR, Mutually Balanced Force Reductions, in Central Europe, giving detente the military *dimension* which the Security Conference lacked.

It has not worked out like this. Dr. Kissinger may now go to Moscow next month in an attempt to settle the outstanding differences, but he is running into time problems, not all of which are on the American side. Mr. Brezhnev faces the 25th Soviet Party Congress at the end of February. He would have liked to have had SALT 2 before then. Now, his power over the Soviet party machine is evidently slipping and it may be difficult to reach another agreement with the U.S. even if he wanted to. In MBFR the West has offered new concessions more as a final test of Soviet intentions than in the hope of reaching a satisfactory settlement.

In the U.S. itself the belief that the Administration conceded too much in SALT 1 and may be ready to concede too much in SALT 2 has been growing. At the same time, there is an increasing awareness—also noticeable even in some of the relatively Left-wing countries in Europe—of the extent of Soviet military power. This awareness too, is perhaps a turning point, though it has not yet reached the stage where the West has determined to do anything about it.



Glyn Genin

President Giscard d'Estaing (left) and Chancellor Helmut Schmidt (right): the close relationship between their two countries is one of the favourable elements.

Angola a prime example

Angola is a prime example. Fifteen years ago there would have been no doubt of the American will and ability to outmatch the Soviet intervention. Post-Vietnam, however, the dominant American reaction is to query the need to do anything at all. Officially, Western Europe on the whole regrets this, but it is incapable of doing anything on its own. The result is that the Soviet Union is moving into an area way beyond its traditional spheres of interest, and the definition of *detente as an agreement to* maintain the status quo has been deliberately rejected. The U.S. Administration is opposed to what is happening, but has been unable to get its way.

On the North-South dialogue, by contrast, even the Administration is divided. Mr. Daniel *Patrick Moynihan, the* U.S. Permanent Representative at the UN, has established a constituency of his own with his outspoken criticisms of the voting habits of the Third World. His behaviour is, arguably, counterproductive in that it drives the potential moderates back into the arms of the extremists, but it has struck a responsive chord in U.S. public opinion and even among some Europeans. It would be very difficult for President Ford to get rid of him without creating more problems than he solves—which is precisely what happened when the President sacked Dr. James Schlesinger as Secretary for Defence.

Economic order

Mr. Moynihan's style is less diplomatic than Dr. Kissinger's, but Dr. Kissinger also has difficulties with the Treasury on *how far the U.S. is prepared to* go in establishing the new international economic order which, for the Third World, is the aim of the North-South dialogue. It is arguable how important the formal part of the dialogue is, but certainly here is another potential bone of contention between the Americans and the Europeans. The Conference on International Economic Co-operation, as it is now called, was set up under the auspices of President Giscard d'Estaing, and Chancellor Schmidt appears to believe in it, yet the largest economic power may be unable to produce a consistent policy and, as the U.S. elections come nearer, may at best do nothing but stall and at worst adopt the approach of Mr. Moynihan.

For Europe it might be more reassuring if the elections were likely to produce a clear cut result and definable guidelines for U.S. policy in future. The loss of American self-confidence, however, may be such that the internal arguments will continue and the trend, shown in the reaction to Angola, against the exercise of global power may turn into isolationism. This means more than a waiting period for the Europeans: they will also be compelled to give more consideration to their own role in the world.

Taken for granted

For years, American power has been taken for granted—to the point where some Europeans have allowed themselves the luxury of resenting it. A world where that power has become less, both because the Soviet Union is catching up in the military field and because the Americans are reluctant to use the power they have, will be quite different.

It is true that there is a certain amount of time in hand and that there are some favourable elements: for example, the strength and stability of West Germany and the closeness of its relationship with France. Most of the weak spots in Europe are due to international dissensions and incompetence—not to the skill or success of Soviet policy. They are also remediable internally, if the will is there. European prosperity and security, in short, have been accepted as the natural order of things. In each of the past three years there has been a series of shocks—the Yom Kippur War and the rift between Europe and America in 1973, the economic upheavals which followed in 1974, and the failure of the economies to yield, at least until lately, to conventional *treatment. The shock of 1976* may well be the general discovery that the military balance of power is shifting too far to the East. That too is remediable, but it will require considerable courage for European Governments to act and, not least, an ability to convince the Americans that Europe is ready to play a larger part in the Atlantic relationship.

COMPANY NEWS + COMMENT

Barker and Dobson £1.16m. first-half loss

IN THE half-year to September 27, 1975, Barker and Dobson incurred a loss of £1.16m. against £0.92m. Sales at £21.61m. showed an increase of £68,000 on those achieved by the comparable divisions during the corresponding period. The loss per 10p share is shown as 1.72p against 1.37p.

The Oakeshotts grocery chain turned in a loss of £595,000 on a turnover of £8m., contributing to the retailing division's overall loss of £638,000 (£283,000).

The comparative figures for 1974 have been adjusted by £0.83m. to include an estimated proportion of Oakeshotts' loss in the year to March, 1975. Comparative figures for 1974 and annual figures for 1974-75 include the results of Budgetts, disposed of in February, 1975.

The new chairman, Mr. G. P. E. Clarkson, says the results are disappointing although are in line with those anticipated at the AGM. He believes the necessary corrective measures have been taken, but it will take some time before the benefits flow through to the profit and loss account he adds.

In the confectionery division *new lines are being introduced* and the group is opening up new sectors. Further economies are being achieved.

In the retail division the operations of Oakeshotts and Lewis Meeson are being consolidated. Great attention is being paid to the gross operating margin and the whole system has been brought under tighter control.

	Half-year 1975 £000	1974 £000	Year 1974-75 £000
Sales⊕	21,606	28,971	77,370
Trading loss	944	745	1,914
Manufacturing	319	463	561
Wholesaling	*13	*21	121
Retailing	638	283	1,232
Group admin.	118	138	291
Loan stock int.	100	109	218
Sale of properties	—	90	150
Loss before tax	1,160	922	2,243
Taxation	—	—	17
Extraord. credits	—	117	†1,336
Leaving loss	1,160	805	3,782

⊕ Exclusive of VAT and intra-group sales. * Profit. † Debit. Bank interest charged against divisional profits.

● comment

Barker and Dobson's first quarter losses have continued at the same rate in the second three months, but the pattern is changing. The manufacturing side has been on a *rather healthier trend, and with* the help of the usual seasonal improvement it is currently in profits. But the retailing side has deteriorated further in the half year, with Oakeshotts' losses approaching £600,000, and disposals in this area must now be a priority. These figures reduce the tangible net worth to £3.8m., which compares with unsecured loan stock of £2.2m. nominal and upwards of £2m. of net bank debt. This gearing will be manageable if the losses can be stemmed: meanwhile the shares now represent option money at 4½p, where the capitalisation is £2.9m., and the performance over the rest of the year ought to look rather better.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims—Sobranie.
Finals—London Intercontinental Trust.

FUTURE DATES

Interims—
Jones Stroud .... Jan. 13

Finals—
Bakers Household Stores (Leeds) Jan. 6
Flexello Castors and Wheels ...... Jan. 9
Great Northern Telegraph ...... Apr. 6
Greenfriar Investment .... Jan. 28
Lowe (Robert H.) .... Jan. 9
Nash (J. F.) Secs. .... Jan. 6

Good start at Akroyd & Smithers

TURNOVER IN the current year at stock and share jobbers, Akroyd and Smithers, has shown "an encouraging increase" in all the company's markets compared with the last quarter of 1974-75, says the chairman, Mr. H. H. Merriman. Profit likewise compares favourably with the corresponding period for last year, *he tells members*.

In the centenary year to October 3, 1975, turnover at £14.55m. against £8.72m. and pre-tax profits at £7.31m. against £3.55m. both broke the previous records by a "very substantial" margin. The distribution total is 15p net per 25p share including a centenary bonus of 2.5p.

Mr. Merriman reports that the *company* "more than maintained" its share of the turnover in all markets in which it deals.

The expansions in equity business in the year 1973-74 and into the property, oil, and paper markets in December 1974 have resulted in "a worthwhile addition to our profits" the chairman adds.

The balance sheet shows bull positions up from £64.37m. to £81.48m. and bear positions up from £66.88m. to £134.9m.

As at December 4 Crossfriars Trust and Cables Investment Trust each owned 10 per cent. of the equity.

Mr. Merriman will retire from the Board after the AGM to be held at 55-61, Moorgate E.C., on January 26, at 12.30 p.m. The new chairman will be Mr. LeRoy-Lewis.

See Lex

Oxley Printing formation

Oxley Printing announces a new operating company, Oxley Press *(Nottingham), which combines* the management, administrative and nationwide trading functions of three commercial printing subsidiaries.

The subsidiaries, all based in Nottingham, are Stevens Press, H. Daunt and Co., and Hickling and Squires. Their printing plants will continue as separate production centres under their existing company names.

The new company will also embrace the operations of a fourth group subsidiary, Oxley Financial Services, which provides management and financial services, and transport, warehousing, maintenance and training facilities.

Knott Mill now trading profitably

Knott Mill Holdings, carpet retailers, has virtually eliminated last year's first-half loss of £145,000 and is trading profitably in the second half.

The first-half (24 weeks to August 11, 1975) deficit now reported is £1,000 struck after interest charges of £65,000, against £103,000—there is again no tax charge but there is an extra*ordinary debit of £20,000 this time.* Turnover for the period was £1,554,000 compared with £1,406,000.

For all the previous year to February 24, 1975, a loss of £346,000 was incurred, before a tax credit of £132,000. The last dividend was the 1.315p net total for the year 1973-74.

Last July, detailing the steps *taken to meet the changed* economic situation, including curtailment of the expansion programme embarked upon earlier, the directors forecast a "modestly profitable" year.

They now say that in the second half of the current year, business has continued in line with forecast. The group is trading profitably, borrowings have been considerably reduced, and there is already a substantial improvement on last year's results.

● comment

A considerable reduction by Knott Mill in the number of its smaller outlets—20 have been closed—has made little difference to sales volume though the resulting over*head saving has virtually pulled* the group round to break even after a loss of £0.2m. in the previous six months. Borrowings, which peaked out about a year ago at £1¼m., and stood at more than two and a half times shareholders' funds ex-goodwill last February, are now down to the region of £0.6m. and still being reduced. Whereas trading is generally difficult and will probably remain so next year, lower interest and administrative charges and the absence of on-going rents on shops that have ceased trading, should ensure that Knott's recovery is sufficient to return it to the dividend list for 1976-77. But that may be too far ahead to have much impact on the shares, which closed 3p higher at 16p yesterday, where the market capitalisation is £550,000.

Norwest Holst progress

CIVIL ENGINEERING and build*ing contractors Norwest Holst* has almost maintained its profit at £438,000, against £453,000 for the half year ended September 30, 1975.

However earnings are down from 2.3p (2.1p fully diluted) to 1.6p per 25p share and the directors have decided against paying an interim dividend. If the current trading performance *is maintained, then they hope to* pay a final.

They report that all divisions are trading successfully. The company has been awarded a substantial contract to design and technical services in the Middle East, and further overseas projects are in negotiation.

Long-term borrowings are secured, and there are unused *facilities approaching £3m.* Eurocurrency commitments have been reduced by 40 per cent.

In the year ended March 31 1975 the company paid an interim and only dividend of 0.875p. The year finished with a pre-tax loss of £3.87m. after exceptional write-offs aggregating £3.79m.

Turnover for the half year improved £3.38m. to £32.44m. Interest charges fell from £654,000 to £603,000.

● comment

Norwest Holst appears to be putting itself on the recovery trend. The first half profits are marginally lower than those for the corresponding period, but they do compare favourably with the 1974-75 year-end results which were depressed by substantial write-offs on development land. Land sales have enabled the group to cut borrowings by some £4½m. from the £12½m. level reached at the end of last year. The group is now roughly £5m. within the new borrowing limits which were set at yesterday's meeting. Given that new housing starts are beginning to pick up the group's hopes for a full year profit seem realistic. In the meantime the shares at 40p capitalised at £3.55m., are on a high for the year where they are awaiting further news about the proposed change of control.

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See also back page

MINING NEWS

Coronation takes a cautious view

THE LONRHO group's South African Coronation Syndicate, which produces copper and gold in Rhodesia, is facing a lean year. As already reported, a further fall of R1m. to R4.5m. (£2.6m.) in working profits for the current year to September 30 is expected, this forecast being based on a gold price of $140 per ounce and a copper price of £560 per tonne.

These metal prices may well prove to be conservatively based, notably that for copper which was trading at around £578 on the London Metal Exchange yesterday. And in his annual review the Coronation chairman, Mr. S. C. Newman, points out that for every $10 rise in the gold price his company's working profits would increase by R650,000 while a rise of £100 per tonne in copper would lift them by R1.1m.

However, the current forecast of a R4.5m. working profit would be reduced by some R1.7m. for Rhodesian tax and it would also have to cover R1.5m. in capital spending which might need to be increased in line with reassessed expenditure on the Inyati copper mine.

Mr. Newman thus warns that the likely amount of funds avail*able for distribution in 1975-76* will be "substantially less" than in the previous year when Coronation paid a total of 34 cents (19p). The shares were 170p yesterday.

A Phoenix tale to be told

AN INTRIGUING situation developed yesterday in the affairs of Phoenix Prince Gold Mining and Phoenix Mining and Finance. Both are London-based companies with interests in Rhodesia and both share the same chairman, Mr. Fraser S. Bird, and much the same Board composition.

The listing of Phoenix Prince shares was suspended on the London Stock Exchange yesterday at the company's request "pending a decision on the future course of its activities." One suggestion is that Phoenix Prince will expand its property interests from Rhodesia to the U.K. but no details were forthcoming at yesterday's meeting.

Mr. Bird also presided yesterday at a London meeting of Australian Commonwealth Carbide which had been called to consider proposals for a voluntary winding-up of the company. However it was adjourned following the news that Mr. Bird had received immediately before the meeting an approach which was likely to lead to an offer being made for ACC.

A further announcement is to be made as soon as possible. It will be of special interest to Phoenix Mining which is a major holder of ACC and which previously expected to receive some £90,000 from the latter's proposed liquidation.

At the Phoenix Mining meeting, also held yesterday, resolutions were approved to double the issued capital. The company's shares closed at 20p while those of Phoenix Prince were 8p prior to their suspension. Shares of Globe and Phoenix were 38p; the company has 33.37 per cent. of Phoenix Prince and 42.8 per cent. of Phoenix Mining.

Hay's Wharf

THE PRESENT economic outlook is too uncertain for a profit forecast for the current year, says Sir David Burnett, chairman of Proprietors of Hay's Wharf.

Conditions experienced in the first two months make it unlikely that first half profits will approach the record £1.74m. achieved in 1975, he states.

However, any upturn in the economy can be taken advantage of, as the high capital expenditure *over the last two years has placed* all divisions in a favourable position.

Expenditure last year totalled £8.3m. (against £7m. in 1973-74) and was financed from internal cash and short borrowings. For the current year some £3m. has already been authorised, and in the main will be financed by Shipbuilding Industry Board loans.

The recently arranged £5.4m. ten year loan with FCI has enabled Hay's Wharf to repay its debentures, and will enable it to restructure its debt and reduce its short term borrowings.

Referring to the Tooley Street Estate, Sir David hopes that now the Community Land Act has been passed, and that when details of the related Development Land Tax are known, it will be possible for progress to be made towards the implementation of a strategy plan for the area.

However, the present economic conditions must "inevitably" place a doubt on the viability of large scale and ambitious developments in the near future.

On the year ended September 30, 1975, Sir David says, encouraging results were earned in the first half but then trading conditions deteriorated. Shipping companies in particular encountered severe difficulties because of falling trade and cold storage companies also suffered for the same reason.

As reported on November 28, profit before tax was £2.23m. (£3.69m.) and the dividend 4.48p (4.15p) net. A split of the £2.74m. (£3.84m.) trading surplus shows (in £000's): storage and distribution £876 (£1,072); oils and chemicals £1,038 (£1,043); cold storage £88 (£378); marine services loss £48 (profit £664); business services £61 (£95); real estate £730 (£586).

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or –	Div. Amount	Times covered	Gross Yield	P/E Ratio
U.S.$	F.P.	—	$12¾	$12¼	Brazil Fund S.A.	$12¼	...	—	—	—	—
‡R5	F.P.	7/11	380	280	Blinder G'd Min'g 20c	275	...	—	—	—	—
—	F.P.	—	£35⅞	£29½	Hughes Tool $1	£35⅜	–¼	Q48c	—	0.5	—

FIXED INTEREST STOCKS

Issue Price	Amount paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or –
£99¼	£50	30/1	52½	49½	Bristol (City of) 13¼% Deb. Stk. 1981	52½	+¼
£99½	£50	11/2	55	49½	Coventry (City of) 13¼% Red. Stck. 1980	53	+½
£98	F.P.	23/1	100	99½	Essex Water 9% Red. Pref. 1981	100	+¼
‡£100	F.P.	15/10	135½	115	Haslemere Est. 9½% '90-5	130	+5
£100	F.P.	9/1	103¾	99⅞	Islington 13¼% Red. Stk. 1980	103¼	+½
£100	F.P.	9/1	101½	97½	Do. 14% Red. Stk. 1985/6	101¼	+½
‡HK$100	50	—	870p	825p	Jardine Math. 7½% Conv. Uns. 1990	850p	–15
‡£98	F.P.	28/11	100	98¼	Lee Valley Water 9% Red. Pref. 1980	99	.....
$US100	F.P.	—	100	99½	Midland Bank Float Cap Notes '82	100	.....
$C100	F.P.	—	98¼	98	Noranda 9¾% Notes 1980	$C98¼	.....
$US100	F.P.	—	102½	98	Do.	$U.S. 102¼	.....
£98	£25	23/1	26½	25	Norcros 15¼% Deb. 1990/95	28⅜	+¾
£100	—	16/2	95	92	Panton 10% Conv. Uns. 1985	95	.....
‡50p	F.P.	17/11	50½p	45p	Singlo 10% Cum. Conv. Pref.	46½	.....
£100	F.P.	28/11	120	100	Spirella 14% Conv. 1980	109	.....
‡‡£100	F.P.	20/2	113½	110	Tenneco 10% Sterling & Conv. 91-95	113½	.....
$US100	F.P.	—	99	98	Trans Union Fin Can 10½% notes 1980	$C.96	.....
£98	F.P.	31/10	99½	95½	York Waterworks 9% Red. Pref. 1980	97¾	.....

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date †	Latest Renunc. Date ‡	1975 High	1975 Low	Stock	Closing Price p	+ or –
100	F.P.	19/12	30/1	180	180	Anglo-Am. Asphalt	176	.....
C$36	Nil	16/1	—	55	39	Bank of Nova Scotia	41½pm	–1½
33	F.P.	5/12	7/1	62	38	Berry Wiggins	51	+1
285	F.P.	12/12	16/1	365	332	British Home Stores	335	+5
32	F.P.	12/12	23/1	55	47	Capper-Neill	50	.....
10	F.P.	3/12	9/1	22½	18	Charles (David)	21	+2
55p	F.P.	24/11	8/1	67	59	Debenhams	57	+1
100	Nil	8/1	15/2	19	13	Eagle Star	17½pm	+1½
25	Nil	5/1	30/1	36	35	Ellis & McHardy	35pm	.....
80	Nil	19/3	20/2	8½	4¼	Fairey	8½pm	+2½
90	F.P.	12/12	9/1	128	119	Fenner (J.H.)	128	.....
57	Nil	9/1	20/2	22	19	Green's Economisers	19pm	–1
675	F.P.	1/9	7/1	887½	775	Harrisons & Crosfield	850	.....
53	F.P.	15/12	12/1	86	64	Hunting Assoc. Inds.	85	–3
60p	F.P.	5/12	8/1	100	90	Ibstock Johnsen	94	+2
10p	F.P.	17/12	16/1	139	121	Kwik Save Discount	127	+1
10p	Nil	2/1	23/1	28	24	Lennons Group	26pm	.....
10	Nil	22/12	20/1	34½	29	*Lighting & Leisure*	31	.....
68	F.P.	19/12	16/1	81	75	Mowlem (J.)	81	+2
$1.50	Nil	30/1	13/2	150	123	Nat. Bank of Aust.	139pm	+1
60p	Nil	9/1	13/2	8½	4½	Plessey	7½pm	+1
13	F.P.	17/12	7/1	27	24	Pontins	26	.....
50p	Nil	31/12	6/2	8	2	Pullman (R & J)	4pm	+1
10p	F.P.	24/11	30/1	38	35	Raybeck	36	.....
92	F.P.	19/12	30/1	130	118	Runciman (W.)	126	+2½
38	F.P.	19/12	21/1	45½	38½	Spillers	42	+½
20	F.P.	12/12	16/1	70	64	Watson & Philip	65	.....

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ✣ Offered to holders of Ordinary shares as a "rights." ❦ 390 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ✤ Introduction. ◆ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. § With warrants.

LOCAL LOANS

This week's issues of local authority yearling bonds carry a coupon rate of 11⅞ per cent. The bonds will mature on January 5, 1977 at par.

This week's issues are:— Metropolitan Borough of Rochdale (£1½m.), Arfon Borough Council (£0.3m.), Lichfield District Council (£½m.), Cumbernauld & Kilsyth District Council (£½m.), Derwentside District Council (£½m.), Malvern Hills District Council (£½m.), Worcester City Council (£½m.), London Borough of Camden (£2m.): Central Regional Council (£½m.), Hart District Council (£½m.), Hertfordshire County Council (£1m.), Forest Heath District Council (£½m.), Newport Borough Council (£½m.), City of Southampton (£1m.), Tweeddale District Council (£½m.), *City of Edinburgh District Council* (£1½m.), City of Chester (£½m.), Borough of Derby (£½m.), Charnwood Borough Council (£½m.), Mid Sussex District Council (£½m.), North Tyneside Metropolitan Borough Council (£½m.).

GADEK RUBBER

In Monday's report on Gadek Rubber Estate it was incorrectly stated that an interim dividend of 1.876p had been announced in respect of 1975, and that the total for the previous year was 1.96p. Those payments in fact were the totals paid for 1974 and 1973 respectively (the former an interim in lieu of final) and no cash dividend has been proposed for 1975.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Nuclear deal finalised with Westinghouse

By Rupert Cornwell

PARIS, Dec. 30.

WESTINGHOUSE Corporation will be able to buy up to 1,200 tonnes (or 3m. lbs) of uranium from France's atomic energy agency CEA, under a sweeping re-organisation of the country's nuclear industry, for which agreements were finally signed to-day.

The nub of the new arrangements, which were first announced by the government here last August is that Westinghouse should progressively sell off its 45 per cent. holding in Framatone, the licensee of its PWR reactor and chosen to be France's sole supplier of nuclear power stations. That stake had been valued at $25m. As a first stage of the deal, the American company will sell two-thirds of its holding to CEA—effectively in return for the uranium which may be delivered over the period up to 1982 when the Framatome licences expire.

The new distribution of shareholdings in Framatome thus gives 51 per cent. to Creusot-Loire, 30 per cent. to the CEA, and 15 per cent. to Westinghouse, with the remaining 4 per per cent. spread among other French interests.

In addition Westinghouse has agreed to take part in an ambitious research and development programme alongside its French partners, involving the expenditure of Fr.90m. (£10m.) each year until 1982.

At that date, the American company will give up its remaining 15 per cent.

Peine-Salzgitter sees large loss after worst year ever

BY ADRIAN DICKS

BONN, Dec. 30.

PEINE-SALZGITTER, the steelmaking subsidiary of the Government-controlled Salzgitter *group, to-day offered some pre*liminary results for what it described as the worst year in its history. It made clear that it anticipates little improvement in the steel market before the second half of 1976.

Turnover for the year ended September 30 was down by 15 per cent. to DM2.5bn. The order book declined by 32 per cent. during the year, and at the beginning of the new business year stood fully 40 per cent. below the level of October 1974.

Sales of rolled steel products, which had just topped the 4m. ton mark a year earlier, fell back to 3.2m. tons, while sales of flat steels and sectional steels *also declined by 22.3 and 21.2* per cent. respectively.

Analysing this situation, which the results of other German steel companies have already made depressingly familiar, P-S lays heavy emphasis on the simultaneous rise in costs of all kinds—amounting to a massive 25 per cent. for the year—and on the continued weakness of prices. Forced to sell a higher proportion of its output outside West Germany, P-S reports that some export prices for rolled products have declined by as much as 40 per cent.

As a result, the company predicts a large loss for 1974-75, though its letter to shareholders *does not name a precise figure.* The management also warns that in spite of its confidence that conditions will improve during the second half of the new financial year, this process is unlikely to be strong enough to make up for the continued stagnation it foresees for the first half.

P-S also reports that it is working at 65-70 per cent. of capacity (a figure roughly comparable to other German steel companies), but expresses satisfaction that it has been able to avoid manpower cuts through a policy of non-replacement.

Severe cash problems at LKAB

BY WILLIAM DULLFORCE

STOCKHOLM, Dec. 30

LKAB, the State-owned concern mining Sweden's iron ore, is facing severe cash problems following the collapse of the European steel and ore markets. Liquidity has fallen by some *Kr.500m. (£56m.) this year. is* expected to deteriorate by a further Kr.350m. (£39m.) in the first half of next year and the company has had to borrow heavily.

To maintain employment, production has been cut by only 10 per cent. this year, while deliveries have dropped by over a third from the 31m. tons sold last year. Mr. Arne Henrikson, the financial director, writing in the LKAB newsheet, calculates that some Kr.300m. (£34m.) has been tied up this year in stocks at the Kiruna and Malmberget mines. Normally LKAB's liquidity improves from mid-year but in 1975 it continued to decline.

The company cannot continue to rely on rescue from the banks and must maintain a higher liquidity level in future, Mr. Henrikson argues. From next year it will calculate depreciation at replacement cost, reducing the profit available for both tax and dividend payments to the state.

But this move alone would not be enough and earnings must improve. Mr. Henrikson points out that earnings before tax and after depreciation at replacement cost have been halved over the last decade, slipping from 20 per cent. of total working capital in 1965 to 10 per cent. last year.

In its interim report for the first eight months of 1975 LKAB anticipated a drop in pre-tax earnings of some Kr.175m. (£19m.) over the year as a whole. Calculating depreciation at replacement cost, this would give a break-even result.

SELECTED EURODOLLAR BOND PRICES

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	102¼	103¼
Ashland 8pc 1987	91	92
Austraswiss 8pc 1987	91½	92½
Borregaard 8½pc 1989	95½	96½
Broken Hill 10pc 1980	103½	104½
Carrier 9pc 1987	90½	91½
Conoco 8pc 1986	98½	99½
Consd. Foods 7½pc 1991	88½	89½
Cutler Hammer 9pc 1987	92	93
EIB 9½pc 1985	101½	102½
ERAP 9½pc 1985	100½	101½
Esso 8pc 1986 Nov.	99	100
General Cable 8½pc 1987	90	91
General Motors 8½pc 1986	103½	104½
Granges 9½pc 1985	99	100
GTE 9½pc 1988	96	97
New Zealand 9½pc 1982	102½	103½
Pacific Light 9pc 1985	91½	92½
Prov. of Quebec 7½pc 1988	87½	88½
Quebec Hydro 8½pc 1989	95½	96½
Queensland 8½pc 1987	91½	92½
Scanraff 8½pc 1988	96	98
Shell 8pc 1989	98	99
Stand. Oil (Ind.) 8½pc 1989	99½	100½
Tenneco 7¾pc 1987	88½	89½
Transocean 8pc 1986	98½	99½
Utah 8pc 1987	94½	95½
Volvo 9½pc 1985	101½	102½
NOTES		
Air France 9½pc 1982	102	103
Ardal 9½pc 1980	101½	102½
Aust. Ind. Dev. 10½pc 1981	103½	104½
Barclays 9½pc 1982	100½	101½
Cie Ntl. du Rhone 10pc '82	103½	104½
Du Pont 7¾pc 1978	102	103
Esso 7½pc 1978	100½	101½
General Motors 8¼pc 1976	100½	101½
Montreal 8½pc 1981	102½	103½
Nippon Steel 9½pc 1980	99½	100½
Norway 9pc 1980	102½	103½
Stand Enskilda 10½pc 1981	104½	105½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	84	86
Ashland 5pc 1988	79	81
Beatrice Foods 4½pc 1992	94½	96½
Beatrice Foods 4½pc 1992	102	104
Borden 5pc 1992	93	95
Broadway Hale 4½pc 1987	77	79
Canon Camera 7½pc 1990	92	96
Carnation 4pc 1987	83	85
Chevron 5pc 1988	94½	96½
Dart 4½pc 1987	82½	84½
Eastman Kodak 4½pc 1988	117	119
Economic Labs. 4½pc 1987	78	80
Eidai 7½pc 1989	70	72
Fed. Dept. Stores 4½pc '85	127	129
Firestone 5pc 1988	88	90
Ford 6pc 1986	88	90
Ford 5pc 1988	77	79
General Electric 4¼pc 1987	84	86
Gillette 4¼pc 1987	77	79
Gould 5pc 1987	86	88
Gulf and Western 5pc 1988	88	90
Harris 5pc 1992	74	76
Honeywell 6pc 1986	78	80
ITT 4½pc 1987	66	68
Komatsu 7½pc 1990	101½	103½
J. Ray McDermott 4¼pc '87	116	118
Mitsui 7½pc 1990	102	104
J. P. Morgan 4½pc 1987	103	105
Nabisco 5½pc 1988	94	96
Owens Illinois 4½pc 1987	90	92
J. C. Penney 4½pc 1987	60	62
Pioneer 6½pc 1989	212	217
Ronk 4½pc 1993	44	46
Revlon 4½pc 1987	100	102
Sperry Rand 4½pc 1987	93	95
Squibb 4½pc 1987	88	90
Texaco 4½pc 1988	74	76
Toshiba 6½pc 1990	101	103
Union Carbide 4½pc 1982	105½	107½
Warner Lambert 4½pc 1987	94½	96½
Warner Lambert 4½pc 1988	82½	84½
Xerox 5pc 1988	72	74

Source: Kidder, Peabody Securities.

Amro forecasts growth

BY MICHAEL VAN OS

AMSTERDAM, Dec. 30.

AMSTERDAM-Rotterdam Bank (Amro) said here to-day in its *prospectus following the* announcement of a Fls.75m. 8.75 per cent. bond issue that it is maintaining its earlier profit forecast. Despite an increase of about 15 per cent. in its outstanding share capital this year (stock dividend, share issue and conversion), an unquantified rise in profits should be achieved.

The new loan involves debentures due 1977-96 with an average life of 10.5 years. The issue price will be announced on January 7, 1976, and an Amsterdam listing has been applied for. Early redemption of the debentures in whole or in part is permitted on February 1 of the years 1986 to 1995 inclusive, at 101.5 per cent. in the years 1986 to 1990 inclusive and at 101 per cent. thereafter. Amro has also sought a listing for the 8.25 per cent. savings letters 1975-81.

Amro said in to-day's prospectus that stagnation of the national economy has had its effects on *the growth of business in the* current year. After the "spectacular developments" in the two previous years. Amro said, however, it had been able to expand its business activities to a satisfactory extent.

The aim of the Fls.75m. bond loan was to achieve a balanced financing of Amro's medium-term business, as well as to reinforce its guarantee potential and thus the expansion potential in the longer term.

NORSK HYDRO

Financial Times Reporter

NORSK HYDRO A.S. plans to offer $40m. bonds 1986 in the Eurobond market with an annual interest coupon expected to be in the region of 9¼ per cent. The issue will be underwritten by an international banking syndicate managed by Hambros Bank Limited.

Recovery in French bourse reflects qualified optimism for 1976

BY RUPERT CORNWELL

PARIS, December, 30.

THE THREE modest Christmas trees adorning the Paris Bourse this year are a fair reflection of *sentiment—a qualified thanks* that 1975 has made up the losses of a wretched 1974, but a becoming thrift in face of at best mixed prospects for the New Year.

After a 31 per cent. drop in the key Stockbrokers Association Index in 1974 French share prices have risen by around the same amount this year The pattern of market movements resembles that of London. For the first part of 1975—until April 23, to be exact—the market roared ahead. Interest rates and inflation were falling, Wall Street was picking up, and French shares were looking even more undervalued than usual.

But then dawned the realisation that the recession would not end so soon. The Finance Ministry downgraded its growth forecasts for the year, reflationary packages came and went unemployment rose inexorably towards 1m., and shares all the while drifted lower. With October, however, came the conviction that things were on the mend. Between then and this week, the *index climbed to 77.1 from 71.8.* It now stands about 30 per cent. higher than at the start of the year.

On balance, the Paris Bourse has performed its classic role of anticipating events. For while the 1975 rise broadly reflects hopes for 1976, it took place against a backdrop of perhaps the most dismal set of company results since the war.

The picture of the havoc wrought by falling demand, shrinking margins and soaring *indebtedness will not be complete* until the spring, when full year results will be available. But it is already certain that several of France's largest companies will have taken an unprecedented battering. The victims are mainly in chemicals and steels.

Rhone-Poulenc, the country's largest chemical group, for *example, is expected to lose* Frs.1bn. (£110m.) or more this year.; Pechiney-Ugine-Kuhlmann, another blue chip and around 25 per cent. of whose turnover is made up of chemicals, will also be in the red. Saint-Gobain-Pont-a-Mousson, the glass and engineering concern, reported first-half earnings of a tenth of their 1974 level; BSN-Gervais-Danone has also warned that it may lose money, thanks to the miserable showing of its glass interests.

Usinor, the largest French steel producer, has estimated a loss of up to Frs.1.05bn., while its rival, Sacilor, the operating arm of the Wendel empire, is in similar straits. With the *industry expected at best* to show a gradual recovery in 1976, it is little wonder that both groups have figured in the top six shares to have lost ground last year: Sacilor's share price is down 22.7 per cent. and Usinor's by 19.3 per cent.

Other metal-oriented concerns have done little better. The nickel *division of the reconstituted* Imetal (formerly Ste Le Nickel) lost almost Fr.50m. in the first half, while Penarroya, its lead and zinc offshoot, is in per*haps worse trouble after the* plunge in primary metal prices.

Penarroya's share price has fallen over a fifth this year. Even Creusot-Loire, bolstered by its nuclear and export strength, has only managed a tiny increase of 5 per cent. in 1975, in the market.

The year's other great disaster area has of course been gold. The price of the widely traded kilo ingot fell from almost Frs.28,000 to barely Frs.20,000, while mines have done as badly or worse in the stock market. But the gold-loving Paris market has not given up hope. Inflation is still rampant, industrial demand for the metal should grow with the world economy, while gold's monetary role is, as recent events have shown, anything but dead. All this makes the pundits here advise their clients to hang on.

There have been strong performers, however, and these include the motor sector, freely written off by experts after the oil crisis as doomed to a lingering death. In 1975 the sector as a whole has risen over 80 per cent. in Paris. Peugeot's share price has more than doubled to over Frs.300, while Citroen, with whom it is to merge next year, has jumped over 48 per cent. Every sign is that the latter's financial position has improved dramatically, and losses for 1974 of almost Frs.1bn. might this year emerge at *around Frs.400m.* The tyre group, Michelin, has outperformed the market too with a rise of 150 per cent.—to be matched in its category only by the components manufacturer, Ferodo.

The other stars have been *more predictable. Unsurprisingly,* after their slump in 1974, and successive Government aid, construction shares have climbed around 60 per cent. this year. Electricals have done well, as the little-changed profit forecasts of both CGE and Thomson-Brandt testify; but that, too, is in large measure a recompense for hard *times last year.*

Other big sectors have climbed more gently by 20 to 30 per cent., including Banks—thankful for a breather after the calamities of 1974—Insurances and Stores.

There were glamour stocks, as well, like Club Mediterranée (up 177 per cent.), the fast-growing electrical company, Radio Technique (up 170 per cent.), and the weapons and motor specialist, Matra (up 150 per cent.). The message is basically the same, that 1975 if anything has been the year of consumer-orientated stocks. These have shown more resilience than heavy industry, which so far has failed to take up the running from this end of the market.

The year, however, has done nothing to tackle the basic weaknesses of the Bourse. Bond issues, helped by substantial tax advantages, continue to overshadow shares, and this year have accounted for more than three-quarters of the estimated Frs.50bn. (£5.5bn.) raised by the market. The result has been a *stagnation of new equity issues* (at less than Frs.10bn.) and an increase in company indebtedness which deeply worries the French Employers Association.

Franklin awarded Penn claim

NEW YORK, Dec. 30.

A U.S. district judge has awarded Franklin Savings Bank its full $0.5m. claim against Goldman Sachs in a case arising out of the Penn Central Transportation financial collapse. A Goldman Sachs spokesman said the firm plans to appeal.

Franklin Savings Bank's complaint was filed on March 1, 1971. It charged Goldman Sachs, a large investment banking and securities firm, with selling the bank $0.5m. of Penn Central Transportation commercial paper in violation of the securities laws. Specifically, it charged that Goldman Sachs failed to disclose material facts relating to Penn Central's financial condition and affairs, at the time the firm sold the commercial paper to the bank.

Goldman Sachs was the exclusive dealer for the sale of Penn Central Transportation commercial paper, and was named in numerous lawsuits following Penn Central's decision in June 1970 to file for reorganisation under bankruptcy laws.

AP-DJ

Jacques Borel results

DURING the Extra-ordinary General Meeting held in Paris on December 29, 1975, M. Jacques Borel, Chairman of Jacques Borel International, announced provisional figures relating to estimated sales and results for 1975 and 1976.

Sales in 1975 should reach Frs. 975m. and in 1976 Frs.1.6bn. Net profits after tax were estimated to be Frs.20m. (1975) and Frs.26m. (1976).

The 1976 results include an estimated loss of Frs.13m. relating to the hotel activities.

COUNTER-INFLATION ACT 1973

The Treasury have given consent to the declaration by the following companies of dividends of the total amounts specified for the financial years ending on the specified dates:

The Phoenix Mining and Finance Ltd.	London SW1	£36,923	30. 9.75
Kwik Fit (Tyres & Exhausts) Holdings Ltd.	Preston	£30,731	28. 2.76
Avana Group Ltd.	Cardiff	£94,423	31. 3.76
Stocklake Holdings Ltd.	London EC2	£64,766	31. 3.75
Lloyds & Scottish Ltd.	London W1	£5,016,392	30. 9.75
Associated Engineering Ltd.	Leamington Spa	£3,837,215	30. 9.75
Staveley Industries Ltd.	London SW1	£1,202,173	30. 9.75
Record Ridgway Ltd.	Sheffield	£353,523	28. 9.75
United Gas Industries Ltd.	London SW16	£91,883	31. 3.76
Petrocon Group Ltd.	Richmond	£306,843	31. 8.75
The North British Steel Group Ltd.	Bathgate	£108,177	27. 9.75
Bluemel Brothers Ltd.	Coventry	£106,177	27. 9.75
Westland Aircraft Ltd.	Yeovil	£2,159,796	30. 9.75
Samuel Osborn & Co. Ltd.	Sheffield	£462,630	26. 9.75
Dimbula Valley (Ceylon) Tea Co. Ltd.	Sevenoaks	£7,078	31.12.74
Mitchell Cotts Group Ltd.	London EC3	£2,207,316	30. 6.75

Published by the Treasury as required by the above Act

BOOKS

A full and varied year of general publishing

BY ANTHONY CURTIS

Nineteen seventy-five was the year that began with a book about elephants by Iain and Oria Douglas-Hamilton and ended with **The Diaries of a Cabinet Minister Vol. 1; Minister of Housing 1944-46** by Richard Crossman. In between these two fascinating studies of dominant groups in an aggressive society new books poured unremittingly from the presses in every category of publishing with a particular emphasis on biography.

Let us stay for a moment at Cabinet level. Harold Macmillan in **The Past Masters** and Lord Blake in **The Office of Prime Minister** both looked back at some outstanding leaders, among them Churchill and Lloyd George. The official biography of Churchill by Martin Gilbert reached its fourth volume covering the period 1917-22, while some new light on LG both in and out of the cabinet room flowed from **Life with Lloyd George** by A. D. Sylvester edited by Colin Cross, and from **My Darling Pussy: The Letters of Lloyd George and Frances Stevenson**. A Prime Minister, a Bishop, a Provost of Eton, an adviser to the Egyptian government were all offices held by one noble family, its members pleasantly put into a single volume by Kenneth Rose in his study of **The Later Cecils**. Here was a book that recreated life at Hatfield and at other places where the family gathered, in a wealth of detail and anecdote.

Indeed, the year brought more than its fair share of insights into the daily lives of those who have held power in our century whether **Roosevelt and Churchill: Their Secret Correspondence** or **The Reith Diaries** edited by Charles Stuart, the paranoiac ranting of the latter put one reviewer in mind of King Lear. But the most controversial view of power was that taken by Maurice Cowling in **The Impact of Hitler**, and the most controversial political biography was inevitably **Mosley** by Robert Skideisky. A more benign view of life at the top was taken by Lord Hailsham in **The Door Wherein I Went** and Lord Thomson of Fleet in **After I was 60**. And if at the beginning of the year we thought we knew all there was to know about the iniquities of Watergate and of the oil companies those industrious journalists, Theodore H. White and Anthony Sampson, in respectively **Breach of Faith: The Fall of Richard M. Nixon** and **The Seven Sisters** proved us wrong.

Conflicting views of not only oil but the whole Middle Eastern arena followed hard upon each other from Golda Meir in **My Life**, General Herzog in **The War of Atonement** and Mohamed Heikal in **The Road to Ramadan** while further away in place and time was the first volume of Sarvepalli Gopal's life of Nehru and Nirard C. Chaudhuri's **Clive of India**. Zaheer Masni brought out his life of Indira Gandhi just before his heroine locked up the opposition. A foretaste of biographical things on the way in the American Bicentennial came with Thomas Flexner's life of **Washington**. What Washington began had to end one day and Robert Moss predicted this had already begun to happen in **The Collapse of Democracy**, an indictment of many different western societies. Denis Hills in **The White Pumpkin**, a book that almost cost him his life, wrote with first-hand experience of a country where it has collapsed, and Alexander Solzhenitsyn in **Gulag 2** and Andrei Sakharov in **My Country and the World** spoke more painfully and at length of another.

Some of the most memorable autobiographies took us altogether away from politics and the facts of contemporary oppression. Someone had the notion of eliciting a book of memoirs from Lady Astor's maid, and the best-selling, eminently readable result was **Rose: My Life in Service** by Rosina Harrison, upstairs-downstairs with a real-life cast. English country house life from another angle was most wittily illuminated in **Ancestral Voices** by James Lees-Milne, a diary kept while on his visits to historic houses as an official of the National Trust in the early years of the war. Two great pedagogues looked back upon a lifetime's teaching, J. C. Masterman in **On the Chariot Wheel** and N. B. C. Lucas in **An Experience of Teaching**, one at Oxford and the other at Midhurst. Robert Lusty took us into the world of publishing in **Bound to Be Read** after a lifetime at the game. Diana Petre surprised some of us in **The Secret Life of Roger Ackerley** by further revelations about that extraordinary man and his mistress, her mother. Edward Heath surprised all of us in several ways, not least by his **Sailing: A Course of My Life**. Jonathan Dimbleby looked back on his father's career and E. W. Swanton looked back on cricket in Australia and John Arlott produced the **Oxford Companion to Sports and Games**.

Literature, too, offered some surprises but these were mainly in the form of revelations about the private lives of eminent writers and philosophers rather than the appearance of undisputed masterpieces. Several sets of letters made a splash, especially those between H. G. Wells and Rebecca West, which provided the base for Gordon N. Ray's biographical book about these two literary lovers, and those from the young Cyril Connolly to the even younger Noel Blakiston. Also some between Max and Will; and the first volumes of those by both Henry James and Virginia Woolf. Literary biographies as such abounded. Some of them came in pretty packaging with lots of pictures and with an erudite elegant text—C. P. Snow on Trollope, Yvonne Mitchell on Colette, Kingsley Amis on Kipling, Margaret Lane on Dr. Johnson, Andrew Sinclair on Dylan Thomas, Timothy O'Sullivan on Thomas Hardy. But there were also the weightier tomes like Patrick McCarthy on **Céline** and Curtis Cate on **George Sand** to mention but two from over the water; nearer home, we had Christopher Sykes on **Evelyn Waugh**, a tricky subject, Ronald W. Clark on **The Life of Bertrand Russell**, Harold Acton on **Nancy Mitford**, Lovat Dickson on **Radclyffe Hall at the Well of Loneliness**, R. W. B. Lewis on **Edith Wharton**, and Michael Holroyd finished the life of Augustus John in **Volume Two: The Years of Experience**. The loves that many of these people suffered in their lifetimes dared not for a variety of reasons speak their names but have been speaking volumes ever since, and will no doubt continue to do so for as long as the market holds.

Some writers however remain impregnable to the most assiduous modern biographical research: no breath of scandal about John Buchan or Charles Lamb or Jane Austen all of whom had centenaries in 1975 and inspired a small crop of scholarly reassessments, but nothing likely to shatter the consensus of opinion about their work. P. G. Wodehouse who died in February is another who remains firmly in place. The biography of him by David A. Jasen reminded us of how active he was in his youth in the musical comedy theatre and told one or two good stories.

Hundreds more stories by and about most of the great English writers were collected together by James Sutherland in his **Oxford Book of Literary Anecdotes**, a browser's treasure-trove if ever there was one. A work from the same press, George Steiner's **After Babel** diagnosed, with vast learning and research and a fine sense of drama, deficiencies in the medium all writers are obliged to use, language itself, and became the talking-point of the year in departments of literature.

* * *

Nonetheless a great many people still continue to try to make creative use of the English language. One of the more encouraging signs has been a revival of the short story or at least a readiness by publishers to issue collections if their authors are commanding enough names. It partly stems from TV where series like **Shades of Greene** and **Ten From the Twenties** happily kick back in new books containing the texts of the original stories.

But the year also saw the appearance of some distinguished original collections by William Trevor (**Angels at the Ritz**), Brian Moore (**The Great Victorian Collection**), Vladimir Nabokov (**Tyrants Destroyed and other stories**), Elizabeth Jane Howard (**Mr. Wrong**), John Updike (**A Month of Sundays**) as well as one by an acknowledged specialist in the art, Roald Dahl whose **Switch Bitch** showed that his flair for the sinister remains unequalled.

Fictionally speaking 1975 witnessed the passing of two old friends, Hercule Poirot and Kenneth Widmerpool. I doubt if we shall read upon their like again. The latter's demise occurred in **Hearing Secret Harmonies** with which Anthony Powell brought his great **Music of Time** series to a close. Mr. Powell is now reported to be hard at work upon the first volume of his own memoirs. At the same time Saul Bellow confirmed his rating as a major novelist with **Humboldt's Gift** and at least two novelists greatly extended their circle of readers: they were Ruth Prawer Jhabvala whose then and now novel about India, **Heat and Dust** was awarded the Booker Prize by Angus Wilson and his fellow judges, and Malcolm Bradbury whose **The History Man** with its university setting has been the unexpected success of the season.

Thomas Keneally looked back to the first war period in **Gossip from the Forest**, V. S. Naipaul to a trouble-torn island in **Guerrillas** and Martin Amis, the best young prospect, looked forward to a grim future in **Dead Babies** as did the redoubtable J. G. Ballard in **High Rise**. Francis King found fearsome form in a novel about a diabetic, **The Needle**. Oliver Knox made a memorable debut with **An Italian Delusion** at the age of 51. Hope for us all! Among other "oldies" Aubrey Menon gave us **Fonthill**, Paul Scott completed his Indian saga with **A Division of the Spoils**. Gore Vidal returned to **Myron** and the late Maurice Edelman to **Disraeli Rising**.

And lest I become the first critic to be arraigned under sex discrimination I hasten to add that our women novelists have not been idle. There were new novels from Iris Murdoch (**A Word Child**), Angela Huth (**Sun Child**), Gillian Tindall (**The Traveller and His Child**), Elaine Feinstein (**Children of the Rose**), Harriet Crawley (**The Goddaughter**)—no comment on the recurrent obsessession in their titles—Janice Elliott (**Heaven on Earth**), Pamela Hansford Johnson (**The Good Listener**), Christine Brook Rose (**Thru**), Maureen Duffy (**Capital**), Rachel Billington (**A Painted Devil**), Beryl Bainbridge (**Sweet William**), and Sarah Gainham (**To the Opera Ball**).

If Poirot has now left us, the little grey cells at last switched off, in crime fiction this has been a year when the dead have walked and talked and sleuthed again on more than one occasion. It began with **Raffles Revisited** by Barry Perowne, and it was the amateur cracksman who ushered in Christmas in Graham Greene's queer play, **The Return of A. J. Raffles**, the text of which has already been published by Bodley Head. Then there was Sherlock Holmes re-appearing ingeniously in both Nicholas Meyer's **The Seven Per Cent Solution** and Julian Symons's **Three Pipe Problem**, while his great antagonist proved indestructible in John Gardner's **The Revenge of Moriarty**. So too did another great performer whom George Macdonald Fraser sent to quell the Indian Mutiny in **Flashman in the Great Game**. And H. R. F. Keating was yet another to raid the Victorian dressing-up box, temporarily abandoning his Inspector Ghote, in **A Remarkable Case of Burglary**.

Crime was not invariably nostalgic. Alistair Maclean followed an international circus into Eastern Europe in search of secret intelligence and P. D. James uncovered a heroin baron in rural Dorset in her heavily-plotted **The Dark Tower**. Dick Francis did not disappoint his admirers in **High Stakes** and Ferdinand Mount left the stalls in a fine gallop in **The Man Who Rode Ampersand**. Geoffrey Household was on familiar ground in **Red Anger** and John Braine turned from the legitimate stage, as it were, to the mystery story in **The Pious Agent**.

All in all, then, a year in which a great deal of ground was covered, not least by Paul Theroux whose **The Great Railway Bazaar** revealed that it is still possible to travel light and Maugham-like pick up much human drama on the way, and by Tony Parker who showed that the monotonous routine of an isolated group of men can be just as rewarding to the trained observer in **Lighthouse**.

Civil servant of God

BY C. P. SNOW

John Calvin by T. H. L. Parker. Dent, £5.95. 190 pages

This book is said to be the first full-scale biography in English of John Calvin for 40 years. It is a fine one. Even granted the present high level of biographical writing, it stands out. I should be prepared to make a claim for it as the best biography of 1975.

That doesn't mean that it is altogether easy reading. The author is a theologian, and the book would lose its authority if he weren't. After all, no one would write about Gladstone unless he had a certain interest in political affairs. Calvin himself was first of all a theologian, and to an outsider appears as one of the most powerful in the entire history of Christianity. He was also a Christian pastor: he expounded what he regarded as the Word of God a good many times each week.

In human terms, he took his pastoral duties seriously, was wise and paternal though constantly striving to control a dangerously quick temper, and was — one of his temperamental strengths — an affectionate friend of rock-like loyalty. Finally, he was the leader, often precariously and on sufferance, of a theocratic state: not the only one of the High Reformation, but, because of his own magnetism and intellect, the one which has attracted most attention, usually unfavourable.

To get such a life into any sort of proportion needs some effort. The book couldn't have been written unless Dr. Parker had been in fairly close theological sympathy with his subject, and it probably won't mean much except to those who have at least an amateur taste for religious disputation. Here I had better come clean. I was brought up in the broad Church of England. My grandfather, the most thoughtful man I knew as a child, was a firm unbeliever, but, in the best Victorian manner, a pious George Eliot-type unbeliever: I passed into unbelief without any conflict at all, but all my life have kept an interest in those controversies. I probably heard more about Protestant doctrine, which is at its root Calvinist doctrine, than an attentive child would nowadays.

Calvin was a Frenchman. In his young manhood he spelt his name Cauvin. Did he change the spelling, one wonders, because Calvin looks more natural in Latin? It was in Latin that he wrote the great *Institutio Christianae Religionis*, a statement which had an effect on the most dynamic forces in the west somewhat comparable to *Das Kapital*, and which like *Das Kapital* was more used for battle cries than read. He himself translated the *Institutio* into French, lucid and beautiful French. It isn't an accident that so many figures of the Reformation, Calvin, Luther, Tyndale, Cranmer, had a determining influence on their own languages. They believed in the Scriptures, and so the Scriptures had to be made available in the vernaculars. They all happened to possess great literary gifts: or perhaps, because they believed in what they were writing, they couldn't help but write it well.

Jean Calvin was born into the *ecclesiastical civil service*. He was trained as a lawyer, and there is a legal insistence about a good deal of his work, much more so than in Luther's. As a pure intellect, Calvin is a long way the most impressive of the Reformation leaders. He would have adorned the French intellectual world in any century. When he gave up law and became converted, he was, in his early twenties, recognised at once as one of the dominant minds of his time. It is engaging to notice that he didn't discourage this process. He sent out his books for review, so to speak, as assiduously as a modern young writer determined to make the grade—though, in his case, with a more complicated purpose.

He believed in the universal Catholic Church. But he didn't believe in the Papacy, which is putting it mildly. The Universal Church needed organisation: there was nothing anarchic or politically unrealistic about Calvin. This organisation could be based only upon an understanding of the Word of God. To himself, to his colleagues, and here Dr. Parker's guidance is of first importance, this was the essential part of his ministry. Most of his energies, which in spite of indifferent health, some of it psychosomatic, were formidable, had to be devoted to commentaries on the scriptures. Get those right, and the rest ought to follow — though he had an unillusioned sense of human imperfection, and knew that the rest didn't follow.

Calvin in the 1540s at about 35

To twentieth century men, there is something odd about this faith in revealed truth. Objectively, as the Marxists say, Calvinism was a progressive force: yet for its justification it was always looking backwards. This isn't such a paradox as it seems. In fact, just the same has happened with Marxism. The doctrinal struggles, based upon the received texts, have been every bit as intense —and for the next century or so are likely to be more significant — as any the Reformation ever knew.

What is perhaps stranger is that men as clever as Calvin and the rest had so little sense of textual criticism. The Word of God had been mediated through men, fallible men. That they accepted and said. Such men sometimes contradicted each other. That was God's intention, in making his word known in human language. Further, the sixteenth century Biblical scholars knew, of course, that many of the translations were faulty. Calvin and his colleagues equipped themselves with Greek and Hebrew so as not to work from secondary sources. But it doesn't seem to have occurred to them that the Greek and Hebrew sources themselves weren't carved out of the living rock. That was a blind spot for a long time to come.

It would have surprised Calvin that, 400 years after his death, his name would be associated with the doctrine of predestination, and with nothing else. Of course he believed in it. So did St. Augustine and Calvin could see no difference between Augustine's exposition and his own. The doctrine was inherent in the Christian religion. In fact, Calvin's exposition is wonderfully subtle and deep, and more controlled than Augustine's.

For anyone curious to learn about a great man, Dr. Parker's book will be a gift. To get the maximum value from it, it is desirable to start by forgetting all that one has previously heard about Calvin. It is nearly all partisan, and most of it wrong.

Monster monitored

BY MICHAEL THOMPSON-NOEL

The Loch Ness Story by Nicholas Witchell. Penguin Books. 70p. 156 pages

It has been said before that if medical science had shown as little enterprise and as little courage, in its various endeavours, as marine zoologists have shown in regard to the large aquatic animal inhabiting Loch Ness, the Gold Coast would still be the white man's grave, appendicitis would still be a fatal illness and tuberculosis would be killing millions each year in Britain.

Psychologists tell us that there are those who *need* to believe in Nessie, the Loch Ness monster, just as there are those who need not to believe, but it has always struck me as strange that at even the most oblique mention of the monster the zoological establishment, at least in Britain, rears up, distressed and outraged, or takes petulant refuge behind a barricade of ripples, leaping salmon, shadows, oil slicks, logs, dead stags and floating vegetation mats rather than admit, as Gerald Durrell invites them to in an introduction to this book, that there might be something large, strange and unknown to science surviving in the cold waters of the loch.

Fleet Street is no better, usually assigning coverage of the phenomena to the resident cartoonists. Recently Dr Robert Rines of the Academy of Applied Science of Boston and Sir Peter Scott, the naturalist, published in Nature magazine the latest photographic evidence of Nessie's existence. Dr Rines has looked for Nessie every summer since 1970. In 1972 his team secured two shots of what is claimed to be the animal's right hind flipper, accompanied by a simultaneous sonar trace which sonar experts at the Massachusetts Institute of Technology have interpreted as representing "large animate objects in the 20-30 foot size range."

In June, the Boston team secured six further underwater frames at Loch Ness showing a discernible image, two of which are believed to show the monster. One is claimed to show the head, neck and body; the other is said to be a close-up of a gargoyle head: "angular, bony and revolting," according to Mr. Witchell, who in this Penguin edition of a book published last year has updated the narrative to include an account of the 1975 Rines expedition to the loch.

The pictures, it is true, prove little—clarity in the peat-stained loch is poor — but they are sufficiently provocative to have aroused intense interest abroad. According to the associate curator of vertebrate palaeontology at the Royal Ontario Museum, "the evidence suggests the presence of large aquatic animals." According to the Smithsonian's curator of reptiles and amphibians, the pictures "indicate the presence of large animals," while equally encouraging noises have come from the University of Chicago, Harvard's Museum of Comparative Zoology, MIT and the New England Aquarium.

In Britain the response of the zoological establishment, and of most newspaper science correspondents, has wavered tremulously between nervous scorn and knockabout cynicism of the fiends-from-outer-space variety.

Mr. Witchell's book is a useful antidote to that sort of thing. It surveys the extraordinary number of eyewitness sightings at Loch Ness and the use, since 1954, of sonar and other gadgetry. Finally, in the best traditions of the pro-Nessie movement, it appeals for increased scientific investigation at Loch Ness; for proper steps to protect the species, and for zoologists, at least in the interim, to maintain a merely open mind. Is that asking for too much?

Poetry in 1975

BY MARTIN SEYMOUR-SMITH

No year which saw the appearance of the **Collected Poems** (Cassell, £8.50) of Robert Graves and the retrospective **Poems 1955-1973** (Anvil/Routledge, £2.95) of Ronald Bottrall can be described as a bad one. Graves has achieved classic status and requires no introduction: suffice it to say this sixth edition of his work is (he states) "probably" the last, and that it adds many new poems. This collection of what many critics regard as the most powerful and intense love poems of the century will stand the test of time. Bottrall's substantial volume contains poems in many styles, including the cryptic, the autobiographical, the lyrical and the satirical. As G. S. Fraser has said, it puts him once again into the reckoning as one of the most versatile and original of the poets of the "Auden generation."

Elizabeth Jennings has been badly used by fashion: taken up in the early Fifties as the best young British poet, she was abruptly "dropped"—a discouraging experience. Her work fell off in quality. **Growing Points** (Carcanet, £2.75, paper £1.50), the best of her 11 volumes, demonstrates that she has developed out of her doldrums. The sonnets which open the collection are some of the best of our time.

These are graceful, pure in diction, misleadingly formal; yet their cadence is as entirely original as the author's choice of words. The final effect is extremely moving: of a candour whose torment is relieved only by bursts of generosity and faith that working through suffering will give it meaning. "A Third" is one of the most remarkable of Elizabeth Jennings' poems: psychologically subtle, true, disturbing—and yet consoling in its truthfulness. Most of the poems in this intense and yet modest and unstrident volume should survive the test of time.

By far and away the best newcomer to the poetry lists is Simon Curtis, whose **On the Abthorpe Road and Other Poems** (Davis-Poynter, paperback, £2.50) shows an intelligent, original and sensitive mind working within the "old" tradition as represented by Graves and, after him, Philip Larkin. The poems display much feeling and have a truly distinctive tone; when acerbity creeps in, it is finely controlled. There is little wastage in the form of feeble diction or cliché; the poems work excellently within their tight forms. This is a most welcome first volume.

Seamus Heaney's **North** (Faber and Faber, £2.95, paper £1.25), his fourth book, consists of poems which attempt to present a coherent myth of Ireland in the wider contexts of its involvement in the history of Northern Europe. It is technically impressive (with a few prosy lapses such as the feeble "The Unacknowledged Legislator's Dream"); the writing is lucid, the diction clipped. But the whole is somewhat "literary" and artificial: the classical allusions come suspiciously pat. The desired manner has been achieved, but all urgency of feeling is absent.

Peter Redgrove's **Sons of My Skin: Selected Poems 1954-1974** (Routledge and Kegan Paul, £3.95, paper £1.75) shows his inchoate poetry to best advantage, since although few may agree with Marie Peel (who made the selection and provides an introduction) that here we have "the scientist's poetic vision of the process," none the less the integrity of the poet's distorted and histrionic view of existence is clearly apparent. At least the persistence of his semi-surrealistic waywardness is admirable: but it is difficult to relate it to anything coherent.

The Penguin Modern European Poets series provides Elaine Feinstein's **Maria Tsvetayeva: Selected Poems** (70p) and **Paavo Haavikko and Tomas Tranströmer: Selected Poems** (80p). The important Russian Tsvetayeva is well done, as is the Finn Haavikko (by his fellow-Finn Anselm Hollo); Robin Fulton's versions of the Swede Tranströmer are markedly inferior to those of Robert Bly, but offer a useful introduction to a subtle poet. The Nicaraguan poet Ernesto Cardenal has been described as the "world's foremost poet writing in Spanish;" since both Aleixandre and Jorge Guillén (at least) are still living, this is clearly an exaggeration. But Robert Pring-Mill's translations in the selection **Marilyn Monroe and Other Poems** (Search Press, paperback, £2.50) certainly show this poet-priest the role to which Cardenal aspires to be a most distinguished Latin-American voice. There is a valuable introduction by the translator.

Clipper days

BY ALEC BEILBY

The Best of Sail by J. Spurling and B. Lubbock. Patrick Stephens. £14.95, 171 pages

Few books about the sea have become classics, but of the few there are, *Sail: The Romance of the Clipper Ships*, first published by the Blue Peter Publishing Company in 1925, must rank among them. This was a three-volume work written by Basil Lubbock, an old Etonian who had rounded Cape Horn under sail, and illustrated by John Robert (Jack) Spurling, a world renowned master in painting the maritime scene. The book was reprinted many times; now we have a condensed version using the best of the artist's work supported by the appropriate text by Lubbock.

The section describing the race from Foochow to London between the tea clippers Ariel, Taeping, Serica, Fiery Cross and Taitsing in 1866 reads like a modern-day thriller and the 36 chapters, each dedicated to the story of one clipper enable the author to bring in the names and stories that surround many, many more of these incredible ships.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Slightly lower in early trading

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Dec. 30.

SLIGHTLY LOWER levels were recorded on Wall Street to-day reflecting traditional year-end factors such as tax selling and portfolio switching. But there was little pressure to either buy or sell.

By 1 p.m. the Dow Jones Industrial Average was off 3.39 to 853.27 and the NYSE All Common Index lost 12 cents to $47.42, while declines led advances by about a six-to-five majority. Trading volume dropped 2.13m. shares to 8.99m., compared with 1 p.m. yesterday.

Closing prices and market reports were not available for this edition.

News that U.S. Leading *Economic Indicators for November* rose 0.4 per cent. after a 0.4 per cent. revised decline in October had little impact on the Stock Market.

Singer fell $⅞ to $9⅞ on 86,100 shares—it announced that it was taking a $400m. write-off to discontinue its Business Machines Division and would be unable to pay dividends in 1976, due to a new credit pact.

Pasco added $1 at $46 on shareholders' approval of liquidation plans.

Texas Commerce Bancshares rose $1 to $32¾—the Federal Reserve Board approved its proposed acquisition of First Texas Bancshares Corporation.

TI Corp. picked up $1⅛ to $13⅛ and, "Over-the-Counter," Zenith National Insurance held unchanged at $2½-$3. Zenith National agreed to lease, with an option to buy, its home office building in Los Angeles to TI.

Polaroid surrendered $1⅛ to $30⅞, Merck $1⅞ to $68⅞, Coca-Cola $1 to $81¾, Johnson and Johnson $1¼ to $89 and Eltra $1 to $30.

Pittston declined $1¾ to $31½, A. E. Staley $1½ to $51⅞, Dun and Bradstreet $1½ to $28½, Bandag $1 to $26½, Sears $1½ to $65 and Du Pont $1½ to $126½.

But Superior Oil picked up $2½ to $163½, *Carter Hawley Hale rose* $1¼ to $24, United Nuclear put on $1 to $16⅞ and Air Products and Chemical improved $1⅞ to $68.

Cleveland-Cliffs Iron gained $1 to $46¼ and Halliburton were up $1¼ to $147½.

The American SE Market Value Index slipped 0.17 to 82.46, while declines led advances by 286-to-188. Trading volume decreased 450,000 shares to 1.09m. shares, compared with 1 p.m. yesterday.

Shenandoah Oil rose $1½ to $23½.

OTHER MARKETS

Canada easier

Canadian Stock Markets were mostly easier in light trading yesterday morning.

The Gold Share Index lost 1.23 to 265.37, Western Oils 0.10 to 194.76, Utilities 0.34 to 123.68, Banks 0.09 to 245.13 and Papers 0.21 to 96.14. But Industrials firmed 0.06 to 170.96 and Base Metals hardened 0.10 to 73.29.

Massey-Ferguson gained $⅜ to $20½, as did Bow Valley Industries to $15⅜.

Foodcorp held unchanged at $2¼ on 400,940 shares, following an offer for at least 400,000 shares at $2.90 each.

Steinberg's "A" were up $⅛ to $17¾ and Zellers firmed 5 cents to $4.90.

PARIS—Mixed in thin trading. Stores, Oils and Banks were weak, Foods lost ground, Rubbers eased slightly. Constructions were mixed, while Engineerings gained ground.

Americans were little changed, Golds firmed slightly, while *German and Dutch stocks* were weak.

BRUSSELS — Mixed in slow trading.

Steels were mostly higher. Cockerill rose Frs.26 to Frs.976. In generally firm Metals, Vieille Montagne were up Frs.135 to Frs.4,240.

Chemicals weakened, Oils tended lower, Electrical and Utility shares finished little changed, while Holdings were narrowly mixed.

U.S. issues declined, German sector was lower, Dutch and French stocks basically steady, South African Gold Mines modestly higher.

GERMANY — Predominantly lower with most of the selling attributable to end of the year *considerations.*

Banks were mostly down, Electricals were mixed, AEG rose DM2.20 to 87.20. Chemicals mostly lost ground.

Motors gave ground. Machine makers were lower, but Steels gain ground and Metals were a little higher.

Minings were predominantly lower. Utilities firmed. Stores declined; Breweries also lost ground.

Mark Foreign Loans were steady to firm, while the Domestic Bond Market was quiet.

AMSTERDAM—Generally firmer in quiet conditions.

KLM rose Fls.1.2 to 75, aided by reported progress of a study on *Benelux Airlines co-operation.*

Nationale Nederlanden were up Fls.1.5 to 93.8 in mixed Insurances. Middenstandsbank and Amrobank each firmed on higher profit forecasts.

State Loans were quietly mixed.

SWITZERLAND — Mixed in active trading.

Banks closed at day's high, with Union Bank up Sw.Frs.50 to 3,420.

Chemicals were narrowly irregular. In Finance sector, Electrowatt *gained Sw.Frs.20 to 1,765* but Oerlikon Buehrle eased Sw.Frs. 25 to 1,445. Insurances were steady.

State Bonds were quietly steady to firmer.

Dollar stocks were barely steady to *easier, Dutch Internationals* were neglected, apart from Royal Dutch which rose on active support. Germans drifted lower over a broad front.

Next session January 5.

MILAN—Mainly easier but above the day's lows, with end-year liquidation evident.

Bonds showed scattered gains in moderate trading.

OSLO—Banks, Shippings and Industrials were irregular, while Insurances were quiet.

VIENNA—Most stocks improved slightly in low volume.

COPENHAGEN—Mixed in active dealings.

HONG KONG—Generally higher in increased trading.

Hong Kong Land were up 10 cents to $HK7.35, Hutchison 15½ cents to 2.075, Wheelock "A" 5 cents to 3.45, Jardine 30 cents to 23.70 and China Light 20 cents to 16.70.

But Hong Kong Bank were down 20 cents to $HK18.50 and Hong Kong and Kowloon Wharf 30 cents to 13.90.

JOHANNESBURG—Gold shares were higher, reflecting increased local demand and some small overseas buying.

Financial Minings were quiet, Platinums were steady to firm. In quiet Coppers, Palamin shed 10 cents to R9.60 but Messina were up 10 cents at R3.55.

Industrials recorded small gains.

AUSTRALIA—Firm in subdued trading, with all sectors showing a strong undertone and the All Ordinaries Index rising to a year's high of 442.04 compared with its low of 289.88 on January 9.

Ampol Exploration rose a further 10 cents to $A1.08.

BHP moved up 14 cents to $A7.06, while Mercantile Mutual further improved 8 cents to $A3.28.

CSR shed 5 cents to $A4.25

Pancontinental gained 24 cents to $A9.14.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Dec. 29	68.27	170.85	856.66	82.79	17,070
26	68.72	170.68	859.81	82.73	10,020
24	68.53	169.12	851.94	82.12	11,150
23	68.65	167.20	843.75	81.19	17,750
22	68.56	165.85	832.83	81.36	15,340
19	63.41	166.95	844.38	81.16	17,720
18	68.38	167.81	852.09	81.42	18,040
17	68.34	166.09	846.27	81.32	16,560
16	68.21	165.52	844.30	81.35	18,360
15	68.16	164.54	836.59	81.13	13,960
12	62.09	164.78	832.81	81.00	13,100
11	62.15	165.11	832.73	80.94	15,300
10	68.17	166.07	833.99	81.03	16,630
9	68.30	162.53	824.15	80.65	16,040

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Dec. 29	100.90	90.13
26	101.07	90.25
24	100.18	89.46
23	99.36	88.73
22	98.83	88.14
19	99.43	88.90
18	100.18	89.43
17	99.88	89.15

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Dec. 29	Dec. 18	Dec. 4
On Dividends	5.89	6.00	5.92
On Earnings	9.77	9.94	9.48

SYDNEY ALL ORD. INDEX

TOKYO NEW SE INDEX

HONG KONG INDEX

SINGAPORE INDEX

EUROPE

TORONTO

MONTREAL

JOHANNESBURG

OVERSEAS SHARE INFORMATION

NEW YORK

CANADA

GERMANY

MILAN

AUSTRALIA

JOHANNESBURG

PARIS

BRUSSELS/LUXEMBOURG

TOKYO

SWITZERLAND

AMSTERDAM

STOCKHOLM

COPENHAGEN

VIENNA

OSLO

SPAIN

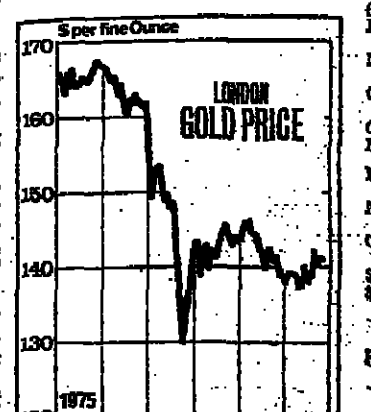
£ improves

Sterling remained firm in the foreign exchange market yesterday, recording small gains against the U.S. dollar and most other major currencies. Its trade-weighted average depreciation against ten major currencies since the Washington Currency Agreement of December, 1971, as calculated by the Bank of England, narrowed to 30 per cent., from 30.1 per cent. previously, after standing at 30.1 per cent. at noon and in early dealings.

The pound opened at $2.0225-2.0235 in terms of the U.S. dollar and eased to $2.0205-2.0215 during the morning, but improved at the close to $2.0235-2.0245, a gain of *10 points on the day.*

The U.S. dollar began very firmly, helped by the recent upward trend in the U.S. overseas trade figures and indications of a record annual trade surplus, but declined during the afternoon, to close at its worst level of the day against many other major currencies. It finished at Frs.4.46875 in terms of the French franc, compared with Frs.4.47375 previously, but touched Frs.4.4855 around lunch time in Paris, the highest *level for the dollar for 11 weeks.* The U.S. unit was unchanged against the West German mark at DM2.61875.

Gold lost $¾ to close at $140½-141½, in quiet trading ahead of the next meeting of the International Monetary Fund, which is to take place in January. The krugerrand finished at $144-146 (£71-72) in the domestic market. The coin's premium over its gold content widened to 2.54 per cent. from 2.47 per cent. for domestic delivery, and narrowed to 2.66 per cent. from 2.83 per cent. in international dealings.



GOLD MARKET

	Dec. 30, 1975	Dec. 29, 1975
Gold Bullion (a fine ounce)		
Close	$140½-141½	$141-142
Opening	$141-141¼	$140¼-141¼
Morning fix'g	$141 (£69.753)	$141.25 (£69.832)
Afternoon fix'g	$140.75 (£69.568)	$141.75 (£70.052)
Gold Coins (domestically)		
Krugerrand	$144-146 (£71-72)	$144-146 (£71¼-72¼)
New Sov'r'gns	$43-45 (£21¼-22¼)	$43-45 (£21¼-22¼)
Old Sov'r'gns	$43-45 (£21¼-22¼)	$43-45 (£21¼-22¼)
Gold Coins (Int'rn'n'ally)		
Krugerrand	$143¾-145¾ (£71-72)	$144¼-146¼ (£71½-72½)
New Sov'r'gns	$42½-43½ (£21-21½)	$42¾-43¾ (£21-21½)
Old Sov'r'gns	$42½-43½	$42¾-43¾
$20 Eagles		
$10 Eagles		
$5 Eagles		

SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Dec. 29	Dec. 24
Sterling	0.579262	0.579868
U.S. dollar	1.17148	1.17315
Belgian franc	46.3320	46.2629
Deutsche mark	3.06693	3.06809
French franc	5.23652	5.22126
Italian lira	800.092	799.253
Japanese yen	358.004	358.567
Dutch guilder	3.14777	3.14573
Swedish krone	5.15685	5.31489

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

FOREIGN EXCHANGES

OTHER MARKETS

EXCHANGE CROSS-RATES

Dec. 30	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf'rt	–	2.6215-35	58.55-65	6.62-63	5.300-308	97.50-60	99.8-100.85
N.York*	38.18-20	–	22.37-39	2.631-554	2.0[illegible]3-084	37.25-25	38.13-15
Paris	170.7-71.1	4.4605-905	–	11.330-365	3.0535-078	166.55-95	170.67-075
Brussels	15.06-10	39.55-58	8.81-83	–	79.92-80.06	14.68-72	15.06-10
London	5.29½-30½	2.0235-45	9.04-05	79.85-90.05	–	5.43-44	5.30-31
Am'erdam	102.52-57	2.6602-27	59.985-045	6.7935-85	5.438-443	–	102.495-545
Zurich	99.93-100.14	2.6235-65	58.45-51	6.62¼-63¼	5.298-302½	97.43-53	–

U.S. $ in Montreal. U.S. $=101.56-58 Canadian cents.
Canadian $ in New York $C=98.44-46 U.S. cents. U.S. $ in Milan 684.00.
Sterling in Milan 1382.60. *Rate for Dec. 29.

EURO-CURRENCY INTEREST RATES*

Dec. 30 1975	Sterling	U.S. Dollar	Canadian Dollar
†Short term	10¾-11¼	4¾-5¼	[illegible]
7 days notice	10¾-11¼	4⅞-5⅜	[illegible]
Month	10⅞-11¼	5-5½	[illegible]
Three months	11⅛-11½	5⅝-6⅛	[illegible]
Six months	11⅜-11¾	6½-7	[illegible]
One year	11¾-12⅛	[illegible]-7⅝	[illegible]

FORWARD RATES

FARMING AND RAW MATERIALS

Firmer wool demand predicted

By Our Own Correspondent

CANBERRA, Dec. 30.

THE AUSTRALIAN Bureau of Agricultural Economics has forecast strengthening demand for raw wool in 1976. It says also that the competitive position of wool against synthetic fibres still appears to be moving in wool's favour.

The Bureau's forecast, published to-day, says that general economic prospects for 1976 are for gradual recovery in economic activity, leading to a recovery in textile activity in most of the major industrialised countries. But there could be significant variations between countries in the timing of the recovery.

Sino-Soviet wool purchases in 1975-76 are expected to be similar to those last financial year.

The Bureau says: "Wool's fibre share in the wool textile industry has been improving since 1974. Recent increases in *many countries in man-made* fibre prices and announcements of future increases in fibre list prices can be expected to reinforce this trend."

"If fibre producers continue *their present policies of restrict*ing output in an effort to maintain profitability, wool should continue to benefit." The Bureau warns, however, that if the unused capacity for man-made fibre production—mostly resulting from investment decisions made around 1973—were taken up, the downward pressure on fibre prices could intensify.

New moves to stamp out sheep and cattle disease

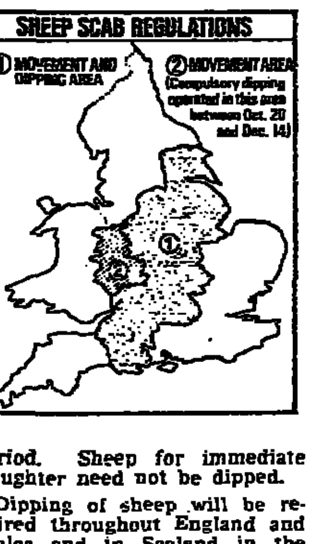
BY RICHARD MOONEY

IN A new effort to control continuing outbreaks of sheep scab disease in the U.K., the Ministry of Agriculture is extending the area affected by control regulations with effect from January 12. From that date the dipping of sheep against sheep scab will become compulsory in 21 English counties.

In addition to the 16 counties in which movement restrictions were imposed on December 3, these include the whole of Wiltshire, most of Dorset, the eastern half of Somerset and small parts of North Yorkshire and West Yorkshire. Sheep in this area must be dipped between January 12 and May 18, by immersion in a single-dipping-type dip approved for use against sheep scab.

Flock owners will be required to notify the appropriate County Council, or Metropolitan County Council, of the date and place of dipping, and later to send a declaration that dipping has been carried out.

Restrictions will be imposed also on the movement of sheep *to markets, sales and exhibitions* in the area during the dipping period. Sheep for immediate slaughter need not be dipped.



Dipping of sheep will be required throughout England and Wales and in Scotland in the early autumn of 1976. The precise period for this dipping and the extent to which it will apply to Scotland will be announced later, following talks with *farmers' unions and other* interests.

Between November 26 and December 29, the number of sheep scab outbreaks in England and Wales was 46 compared with 43 between July 1 and November 26.

At the same time, the campaign to eradicate brucellosis among cattle in England and Wales is being stepped up with further measures aimed at hastening the completion of this programme.

The Ministry noted that good progress had continued to be made under the voluntary schemes under which, by November 30, 52 per cent. of all herds in England and Wales, comprising 51 per cent. of all testable animals, had been accredited as clear of the disease.

A free vaccination scheme is to be introduced in Cheshire, *Staffordshire,* Northumberland and part of Tyne and Wear from January 12.

Herd owners not currently participating in the Ministry's voluntary eradication schemes will be invited to apply for free *blood tests in order to determine* their brucellosis status.

U.K. cheese sales at new peak

BY JOHN EDWARDS, COMMODITIES EDITOR

SALES of home-produced cheese rose by 6.3 per cent. to a record level of 13.4 lbs. per head in Britain during 1975, according to estimates issued yesterday by the National Dairy Council.

British producers raised their share of the hard cheese market to 70 per cent. of total sales, against strong competition from other countries in the battle to take over the sales previously made by New Zealand, whose supply to this country is falling. In the first nine months of the year, New Zealand accounted for only 9 per cent. of the market.

In contrast, British producers appear to have lost interest in the butter market—the least profitable sector—with home produced sales in 1975 down by 20.5 per cent., accounting for only 9 per cent. of the total market.

The rise in milk production in *the autumn has meant more* supplies being diverted to butter output again, after manufacture virtually ceased for a period.

But the industry appears to be much keener on fighting for cheese sales, backed by a more easily identified product, than seeking to build up its share of the butter market which may be severely hit by price increases as U.K. values move into line with the EEC.

An interesting sidelight is that, despite lower British prices, helped by subsidies, U.K. consumption of cheese per head is the second lowest in the European Community; butter consumption is the fifth lowest.

Mr. George Speakman, director of the National Dairy Council, claimed meanwhile, that the "miraculous" recovery in milk output during the last few months of 1975, as a result of better returns for farmers and excellent weather, meant that the dairy industry was entering the new year on a confident note.

He predicted that there would be ample supplies of milk in the spring, despite a cutback in the size of the dairy herd in 1975.

Milk production, according to estimates by the Council, is expected to be only 0.4 per cent. down on 1975.

Sales of liquid milk have held *up remarkably well*, with annual consumption per head put at a peak of 250 pints, compared with 245.2 pints in 1974. However, the price rise of 1.5p to 8.5p a pint—"an astronomical increase in milk terms"—has brought a slight decline in November and December sales.

Since January 1, 1975, there has been a 54 per cent. rise in milk prices, but milk is still claimed to be very competitive compared with other beverages.

GHANA COCOA PURCHASES

ACCRA, Dec. 30.

Purchases of main crop cocoa for the thirteenth week of the *season, ended December 25*, are estimated at 20,384 long tons, the Ghana Cocoa Marketing Board said, reports Reuter.

This brings total main crop purchases this season to 307,338 long tons.

Main crop purchases in the thirteenth week last season, ended January 2, were 11,259 long tons, bringing total purchases at that date to 295,549 long tons.

Our Commodities Staff writes: The Ghana purchase figures were in line with market expectations, but nevertheless caused some nervousness on feelings that the "tail" of the crop might be better than previously forecast.

However, a stronger tone in New York kept London values bouyant and the March position closed £8.25 up, at £724 a tonne, not far from the life of contract high.

More plentiful immediately available supplies virtually eliminated the December premium, but failed to depress other months.

Zambian copper sales plan

By Our Commodities Editor

THE OFFICIAL partial force majeure on Zambian copper shipments will not be extended into 1976, according to a spokesman for Memaco Services yesterday, reports Reuter.

But this is only because contractual sales for 1976 have been cut, in accordance with the reduced amount available as a result of transport and production problems that hit Zambian copper mines hard in 1975.

In September, contractual deliveries were cut by 20 per cent. following closure of the Benguela Railway due to the Angolan civil war. This cutback was increased in October to 30 per cent. by Roan Consolidated Mines and 40 per cent. by Nchanga Mines.

A large proportion of Zambian exports, and imports of materials needed by the mines, came in via Lobito Bay in Angola, since the traditional Rhodesian Railways route was no longer available.

Although attempts have been made to divert shipments to other routes, it has not proved possible to continue copper exports at the previous level, and this is recognised by the reduced amount offered for contractual sale by the Zambian copper mines in 1976.

The move made little impact on London Metal Exchange copper prices, since it was felt that the overall supply situation was not basically affected. Initially the market lost ground, copper cash wirebars closing £2.75 down, at £577.5 a tonne, but values rallied sharply in late kerb dealings following an upward move in New York.

ISRAEL FOOD EXPORTS UP

TEL AVIV, Dec. 30.

Israel's exports of unprocessed agricultural produce, including citrus, rose by 45 per cent. in 1975, compared with those of the preceding 12 months, to $260m. Processed produce brought in a further $125m.

NEW ZEALAND AGRICULTURE

Still dependent on U.K. market

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

IN THE RUN-UP to Community entry, it was claimed that Britain's traditional food suppliers would be able to switch exports — threatened by restrictive effects of the Common Agricultural Policy — to other markets. But New Zealand still sells about the same proportions of lamb and butter to the U.K. as it did before this country's entry to the EEC.

In the case of lamb, there is the disincentive effect of a 12 per cent. *ad valorem* levy, rising to 16 per cent. soon, on supplies coming to Britain. For New Zealand farmers, an added incentive to diversify sales away from the U.K. is provided by the NZ Meat Board.

In spite of these measures and persistent attempts to exploit other markets, very little difference is apparent in the proportion shipped to this country. It is still 76 per cent. of NZ lamb exports.

The basic reason is that the lamb industry, for nearly a century, was tailored to meet the needs of the British market by companies, largely British in origin, which still dominate the trade.

There does not seem to be the same demand in other countries for the small, sometimes fat, NZ carcases. The U.S. market has absorbed an enormous effort of salesmanship and money for the sale in the last year, ending September, 1974, of little more than 2 per cent. of NZ exports. Roughly the same proportions are taken by Japan, Canada and Greece.

The main growth areas appear to be the Middle East, where there has been some success. But exporters have no illusions about the difficulties of building up a substantial trade in these relatively unsophisticated markets.

Some Middle East customers prefer live sheep, a demand much more easily satisfied from Australia, and objected to by a combination of NZ slaughtermen and animal welfare societies. This market is in any case subjected to intense competition from West and East European countries for poltry products, which compete directly with lamb.

There are still hopes for bigger sales in Japan, particularly if that country emerges from the recession. But past experience has shown the Japanese to be the most ruthless exploiters of weak sellers. For the present, NZ is a very weak seller indeed, because circumstances make this so.

In dairy products, particularly butter and cheese, prospects for diversification are especially bad. Markets for butter other than the U.K. are almost completely non-existent.

NZ was granted a quota until 1977. But because this hasn't been filled since Britain's entry in the EEC it is claimed that diversification has been succeeding.

U.S. outlet

In fact the fall in exports to Britain was caused largely by a drop in production due to a severe drought and during 1972-1974, a brief opening of the U.S. market which took 9,500 tons of butter and 23,000 tons of cheese. But this outlet is now virtually closed.

The world dairy situation at present is dominated by EEC surpluses of butter and skimmed milk powder. Although the Community has refrained so far from butter dumping, a feature of the late 1960s, NZ exporters feel threatened by future prospects in the British market.

Because the retail price of butter in Britain—unless it is subsidised ad infinitum—is due to double by 1978 under EEC rules, total consumption is expected to fall from the present 475,000 tons to around 300,000.

In this event, the proposed New Zealand quota of 121,600 tons will be higher than that of the major member suppliers, Holand and Denmark, leaving little scope for added supplies from home and other EEC countries.

It is probable that New Zealand cheese exports to the U.K. will be phased out altogether before long under the effect of the levies, and because there is no quota, as there is for butter.

So far, EEC arrangements have not had an excessive effect on New Zealand returns. The levies, which in theory should double the landed price of New Zealand butter, are covered by the consumer, or the consumer subsidy. And some of the levy has been returned by the U.K. Treasury.

For lamb, the ad valorem tariff is, in effect, paid by the New Zealand industry; this will erode returns this year by about £20m.

The importance of lamb and dairy product sales to the New Zealand economy, is that, besides providing nearly 40 per cent. of food export income, they are both the output of the highly intensive use of some of the world's best grassland.

If these markets were lost, there would not seem to be any alternative use of this land, which is the country's major asset. Beef cattle are not nearly as efficient at converting grass into money as ewes and lambs, or dairy cows.

So far the butter and cheese exports appear the most vulnerable to Community action because of continuing European surpluses.

The future of lamb imports will depend on whether the EEC adopts the proposed common sheep regulation. If it does the effect of a levy to raise the cost of imports, as against a duty as at present, would probably price New Zealand lamb out of the market eventually.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—See-sawed on the London Metal Exchange. Rumours that the current Zambian force majeure on shipments was to be either reduced or ended turned prices lower in early trading with forward metal falling to £596 owing to stop-loss and hedge selling. Short-covering produced a modest rally to £598 but when the U.S. market opened on an easier note prices once again turned easier. Comex then rallied and London followed [illegible]

LEAD—Hedge selling led to a modest decline in prices although the market maintained a basically steady undertone. Turnover, 1,700 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	165.75-6	-.625	165.5-6	-.5
3 months	175.5-.75	-.125	173.25-.75	-.875
Settlement	166	-.75	-	......
N.Y. Spot	-	......	19-22¼	......

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Close: Jan. 63.65, March 65.75, May 67.25, Sept. 65.90, Nov. 67.85. Business: Jan. 63.75-63.55, March 65.85-65.70, May 67.35-67.15, Sept. 66.00-65.95, Nov. 68.00-67.90. Barley, steady. Close: Jan. 62.40, March 64.55, May 66.40, Sept. 65.10, Nov. 67.10. Business: Jan. 62.40-62.10, March 64.55-66.30, Sept. 65.10 only. Nov. nil.

SILVER

COCOA

Sales: 2,290 (1,566) lots of 10 tonnes.

COFFEE

Robusta futures opened steady on dealer buying, but lack of follow-through interest later saw some long liquidation orders push the market lower in thin dealings.

Prices moved lower after lunch, with local selling touching off Commission House stoploss orders in near March. But fresh buying support and profit-taking purchases at lower levels halted the decline.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
January	783-785	-11.5	793-781
March	793-794	-12.0	802-791
May	801-802	-10.0	809-800
July	809-810	-9.0	814-808
Sept	814-815	-10.0	820-813
November	820-821	-9.0	825-816
January	824-825	-7.5	829-824

ARABICA CONTRACTS (in order buyer, seller, sales)—Dec. 95.00-100.00, 1; Feb. 97.40-97.50, 6; April 97.10-97.40, 2; June 97.30-98.60, nil; August 97.50-99.00, nil; Oct. 95.00-100.00, nil; Dec. 98.00-100.50, nil. Sales 9.

GRAINS

THE BALTIC—Prices for imported *grains generally tended easier where* changed. Optional maize attracted a limited enquiry for Jan. transhipment to east coast U.K., but business was slow to develop.

Wheat—U.S. dark northern spring No. 2, 14 per cent. April £88.70, May £88.55 direct Tilbury, April-early May £83.40, June £83.20, July £83.10 transhipment east coast. Argentine milling Jan. £81.65, Feb. £82.45, March £82.75 east coast. EEC feed Jan. £84.40, Feb. £85.20 east coast.

Maize—No. 3 yellow American/French Jan. £63.50, Feb. £66.30, March £68.25 transhipment east coast. South African white Jan. £68.95, Feb. £68.30, March £68.75 U.K. South African yellow Jan. £67.25, Feb. £67.50, March £67.75 U.K. Rest unquoted.

RUBBER

SOYABEAN MEAL

SUGAR

WOOL FUTURES

FREIGHTS

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 39.0 to 41.5. English hindquarters (heavy) 45.0 to 50.0, forequarters 28.0 to 30.0. Ulster hindquarters 46.0 to 49.5, forequarters 28.0 to 29.0. Eire hindquarters 47.0 to 49.0, forequarters 27.0 to 29.0. Veal: [illegible]

[illegible] Orange Pippin 0.09-0.12. Russets 0.07-0.08. Bramley's 0.07-0.10. Laxtons' .08. Celery—Per 12 0.90, pre-packed 20/25 2.30. Sprouts—Per pound 0.11-0.13. Onions—Per 56 lbs 3.10-3.40. Swedes—Per 28 lbs Devon 0.60-0.70. Carrots—Per 28 lbs 0.60-0.70. Pears—Per pound Conference 0.12-0.14, Comice 0.14-0.15. Rhubarb—Per 14 lbs. 0.13 per pound. Beetroot—Per 12 lbs 0.70. Parsnips—Per 28 lbs 1.20-1.50.

Brazil soya planting nears completion

RIO DE JANEIRO, Dec. 30.

SOYABEAN PLANTING in Brazil was around 95 per cent. complete and should be finished within a week to 10 days, said grain trade sources in Sao Paulo.

Small parts of Rio Grande do Sul, Parana, and Santa Catarina had still to be sown. Further north in Sao Paulo, Mato Grosso, Minas Gerais and Goias the seeds were all in the ground.

The sources described current planting as satisfactory. The late wheat harvest caused some delay in Rio Grande do Sul and about 5 per cent. of Parana's soyabean area had had to be replanted because of excess rain. However, the planting timetable was about normal.

The area planted to soyabeans for the 1976 crop would rise to around 6.1m. to 6.2m. hectares, from around 5.4m. for the 1975 crop, and the 1976 crop should reach around 11.4m. tonnes, the sources estimated.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Dec. 30 1975	+ or —	Month ago
Metals			
Aluminium	£420		£395

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

COTTON

JUTE

U.S. Markets

Copper off and cocoa firm

NEW YORK, Dec. 29.

STOCK EXCHANGE REPORT

Gilt-edged and equities make further good progress

Share index 3 points off 1975 peak at 374.8, up 6.7

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Dec. 12	Dec. 23	Dec. 24	Jan. 7
Dec. 29	Jan. 8	Jan. 9	Jan. 20
Jan. 12	Jan. 22	Jan. 23	Feb. 3

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Stock markets put on another very firm performance yesterday. Once again, Gilt-edged stocks led the way ahead, with the emphasis centred on the short end of the market where another brisk trade was seen in the "tap" stock. Fresh gains in the shorts ranged to ¾, while mediums and longs closed with more modest rises to ¼. The Government Securities index rose 0.12 more to 59.77 for a two-day gain of 0.37. News of the fall in the November Central Government borrowing requirement figures gave a further boost to sentiment.

Leading Industrials scored fresh gains ranging to 5 and occasionally more which left the FT 30-share index only 3 points from its high for the year with a rise of 6.7 at 374.8. Demand was mainly small, although a few sizeable buying orders were seen and there was a noticeable increase in activity compared with Monday's extremely low level. Official markings of 4,952 compared with 2,952 on Monday.

As with the leaders, trading again left much to be desired. Nevertheless, gains were a little more widespread. Rises led falls by 7-2 in FT-quoted Industrials, while the more broadly based FT-Actuaries All-Share index advanced 1.6 per cent. to 157.80. Properties were prominent following news that Smith Bros., stockjobbers, had decided to start dealings in this sector in the New Year. The FT-Actuaries index for the section rose 3.8 per cent. to 173.77.

Gilt-edged were in no way upstaged by equities and extended the recent upturn, although the resulting gains were generally slightly smaller than the previous day. Treasury 10½ per cent., 1979, "A," the short "tap" again traded heavily and the Government broker raised his price once; the stock's exhaustion to-day would not be a major surprise. Low-coupon shorts also remained popular, registering gains to ¾ where stock was in short supply, while a fair business was conducted in selected medium-dated maturities. The longs apart from the "tap," Treasury 13¼ per cent., 1997, "A," which had many followers—the Government broker withdrew from supplying stock at 89¾—tended to be overshadowed, however. Corporations continued to follow the main funds, rising a full point in one instance.

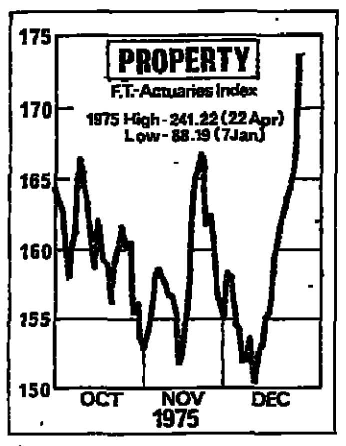
A downturn in the investment currency premium—rates at one stage were as low as 108¾ per cent.—eventually attracted revived institutional interest which arrested the fall and subsequently brought a rally to 110 per cent. for a net loss of 2¾ points. Yesterday's SE conversion factor was 0.6136 (0.6067).

Discounts good

Buoyed by the firm performance of gilts, Discounts pushed forward steadily to close with widespread gains. Cater Ryder, 15 higher at 265p, were particularly firm, while Union (results due January 21) improved 10 to 355p, after 360p. Allen Harvey and Ross, 380p, and Seccombe Marshall and Campion, 240p, were both similarly better in thin markets and rises of around 6 or 7 were seen in Alexanders, 233p, Gerrard and National, 300p, Gillett Bros., 200p, and Smith St. Aubyn, 68p. The big four Banks enjoyed a bigger interest with buyers helping National Westminster to close 9 higher at 250p, after 252p, and Barclays 6 up at 298p, after 300p. Merchant banks edged forward with Guinness Peat 6 better at 180p and Hambros 5 to the good at 195p. Slater Walker hardened a penny more to 25p.

The volume of business improved slightly in Composite Insurances, which closed at, or very near, the day's best. Buoyed by a 1976 investment recommendation, Guardian Royal Exchange put on 6 at 196p, while "Royals" were similarly better at 302p.

The drinks sector was featured by Distillers, which rose 4 to 143p on a bullish broker's circular. Breweries were inclined harder,



with Arthur Guinness 4 up at 139p and Allied 2 to the good at 68½p. Scottish and Newcastle hardened 1½ to 55p; the interim results are due January 13.

Buildings were better where changed. A.P. Cement improved 5 to 187p. Norwest Holst responded to the interim figures with a gain of 4 to a 1975 peak of 40p, while similar improvements were recorded in John Mowlem, 83p and Montague L. Meyer, 71p. Press comment directed attention to French Kier, 1½ harder at 12½p, and Royco, 2½ firmer at 28p. Other smaller-priced issues to make progress included Francis Parker, a penny better at 11½p, and Joviel Properties, 1½ dearer at 11p.

ICI continued firmly in Chemicals, rising another 4 to a 1975 peak of 334p.

"Gussies" "A" led Stores into higher ground, closing 6 up at 201p. British Home Stores revived with a gain of 4 to 327p, while House of Fraser, 72½p, and Debenhams, 87p, both closed around 3 harder. F. W. Woolworth, still reflecting Press comment, picked up 1½ more at a 1975 peak of 72½p. Marks and Spencer behaved erratically, improving to 97p before closing 2 better on balance at 95p. Knott Mill ended 3 up at 16p after the interim report, while Bolton Textile moved up 1¼ to 12½p following the annual meeting. Other firm spots included Status Discount, 3 harder at 34p, and Mothercare, 4 better at 176p. Mail Orders also edged higher, Freemans (London) finishing 2 firmer at 146p and Grattan Warehouses 3 dearer at 94p.

Electrical leaders generally improved afresh in rather quiet trading, with BICC providing the best spot at 118p, up 5. GEC closed 3 firmer at 142p, after 143p, and Thorn Electrical 4 better at 216p. Plessey new nil-paid attracted a fair deal of interest and touched 8½p premium, before ending a penny firmer at 7½p premium, while the old closed similarly harder at 67p. Elsewhere, Decca moved up 6 more to 288p in a limited market, while the "A" added 2 at 272p. Ultra Electronic rose another 4 to 46p. Electronic Rentals, with interim results due Friday, firmed 2 to 70p, but Telefusion contrasted with a loss of 2 at 25p.

Some leading Engineerings drifted away from the day's highest, Tube Investments closing a net 4 dearer at 318p, after 322p, and GKN a like amount higher at 268p, after 270p. Still mirroring Press mention, John Brown traded more briskly and rose 3 further to 68p, while Staveley moved up 6 to 136p on the chairman's confident view of prospects. Weyburn continued into higher ground, gaining 11 more to 443p; hopes persist that either a bonus "rights" issue or share split will be announced with the preliminary results on January 14. British Northrop featured again with a rise of 4 to 65p. APV advanced 5 to 235p and GHP 7 to 115p. News that TCK had bought a stake slightly below 30 per cent., triggered enthusiasm for Lesbrock, finally 3½ up at 6p.

Tate and Lyle continued firmly in Foods, rising 7 more to 245p for a two-day gain of 12. Rises of 8 were scored by Rowntree Mackintosh, 188p, and J. Bibby, 89p. Press comment directed attention to J. B. Eastwood, 2 up at 57p. On the bid front, Clover Dairies moved up 4 more to 157p in sympathy with a rise of 2 to 76p in Northern Foods.

Pilkington react

Business was somewhat livelier in the miscellaneous Industrial leaders, which closed modestly higher. Beecham, 345p, and Reckitt and Colman, 330p, both improved 5, while Boots, 126p, and Glaxo, 373p, added 3 apiece. Pilkington, on the other hand, receded 5 to 297p on news that the company had been offered Slater Walker's 28 per cent. stake in Rockware: the latter, following a rise of 4 on Monday, hardened to a 1975 peak of 71p before ending unaltered on the day at 69p. A Press recommendation for 1976 stimulated interest in De La Rue, which rose 8 to 201p, while Press mention also helped European Ferries, 4 up at 65½p. Channel Tunnel moved up 8 more to 38p for a two-day rise of 14 in a thin market on the call by a group of MPs for EEC support for a rail "chunnel" project to be restarted. M.Y. Dart hardened 2 to 39p in response to the chairman's confidence expressed at the annual meeting. James Warren closed unaltered at 62p; in recent issues the price has been inadvertently confused with Warren Tea, which closed 3½ firmer at 75p.

Motors and Distributors edged forward in light trading. Lucas moved up 4 to 183p, while Automotive Products, 42p, and Dunlop, 66p, put on 2 apiece. Commercial Vehicles were quiet and little changed despite news of the good November truck exports figures.

Thomson remained in the van, gaining 6 more to 226p after a fresh 1975 peak of 227p, while Associated put on 2 to 104p, Daily Mail "A" rose 4 to 176p and United a similar amount to 220p. Morgan Grampian were outstanding in Publishers, rising 5 to 45p.

Properties bought

Properties improved on a broad front, buyers being encouraged by news that Smith Bros., stockjobbers, had decided to extend its dealing range to property shares early in the New Year on the view that a revival of activity in the sector must lie ahead. The leaders, following a good business, closed with rises to 5, as in Land Securities, 180p, after 182p. MEPC were finally 4 firmer at 82p, after 83p, and English Property 3½ up at 61½p, while British Land ended 2 better at 22½p. Elsewhere, Bernard Sunley followed Monday's Press-inspired rise of 9 with a fresh advance of 13 to 165p in a thin market.

Renewed switching, although on a smaller scale than Monday, from Royal Dutch into Shell pushed the latter up 6 further to 380p, but on this occasion checked the former, unaltered at £33¾, after having opened at a fresh high for the year of £34½. British Petroleum were relatively quiet and finally unchanged at 583p, but Burmah responded to a livelier interest and rose 2 to 31p.

Lonrho met further strong demand and closed 6 higher at 128p, after 130p, on reports, confirmed yesterday evening, that a sizeable stake had changed hands between certain Arab interests at a price of 130p per share. Elsewhere in Overseas Traders, Inchcape found fresh favour and improved 10 to 355p awaiting interim figures expected on January 22. Booker McConnell rose 6 more to 158p.

Shippings generally closed firmer for choice after a small turnover. P & O Deferred came to rest 4½ higher at 98½p, after 99p, while Ocean Transport were similarly dearer at 126p. Renewed speculative interest "after-hours" prompted gains of around 1½ in both John I. Jacobs, 24½p, and "Lofs", 35p. In a thin market, Sheaf Steam rose 7 to 77p.

Noteworthy movements were few and far between in Trusts and Financials. A 1976 investment recommendation helped BET Deferred to rise 4 to 85p. Bishopsgate Property and General Investments improved a like amount to 37p and Robert Kitchen Taylor put on 5 at 53p.

Up 5 on Monday, Courtaulds edged forward 2 more to 150p, after 151p, in firm Textiles. Elsewhere in Textiles, RKT improved 4 to 52p and George Spencer gained 3 at 30p. Hollas hardened 2 to 38p; the interim results are due January 7.

A small investment demand was all that was required to leave Bats 9 dearer at 347p.

Golds close steady

South African Gold shares opened showing occasionally substantial gains reflecting the trend in overnight U.S. sharemarkets. But they later lost ground following the fall in the bullion price, which was finally 50 cents lower at $141 per ounce, and the lower investment premium.

Selling from the Cape, whose share market is only open for this morning and is then closed until next Monday, and small U.S. offerings also pared earlier rises but the Gold Mines index was still 3.7 higher at 236.4.

Among heavyweight stocks, rises on balance ranged to ¾ in Randfontein (£17¾) and Free State Geduld (£20½). On the other hand, Vaal Reefs fell ½ to £19¾ and Western Deep eased to £14¾.

In Financials, London-based issues were firm, reflecting the strength of U.K. Industrials. Selection Trust advanced 20 to 505p, while Charter and RTZ were both 4 higher at 172p and 183p respectively on continued response to favourable investment comment.

Overseas-based Financials, however, tended to ease in line with the investment dollar premium. Anglo American lost 7 at 355p.

In Coppers, Minorco advanced 12 to 215p on persistent U.S. buying. Platinums were firm.

In the Central African group, Phoenix Mining and Finance rose 4 to 20p on news of a bid approach for Australian Commonwealth Carbide in which the former owns a major stake. Shares of Phoenix Prince were temporarily suspended at 8p at the request of the company pending a decision on the future course of its activities.

Despite the firmer trend in overnight home markets, Australians were mixed. Tins were higher with London Tin a further 3 up at 160p, still being helped by bid hopes.

Elsewhere, Anglo-United rose 5 to 90p while Continental buying left "Tanks" 4 higher at 152p.

FINANCIAL TIMES STOCK INDICES

—	Dec. 30	Dec. 29	Dec. 24	Dec. 23	Dec. 22	Dec. 19	A year ago
Government Secs.	59.77	59.65	59.50	59.38	59.22	58.86	49.80
Fixed Interest	59.53	59.17	59.10	59.13	59.08	58.89	50.86
Industrial Ordinary	374.8	368.1	365.4	362.8	363.7	369.5	161.4
Gold Mines	236.4	232.7	230.2	231.9	242.7	238.1	353.5
Ord. Div. Yield %	5.58	5.67	5.74	5.76	5.75	5.67	12.40
Earnings Y'ld % (full) (a)	15.58	15.83	16.03	16.06	16.04	15.79	35.79
P/E Ratio (net) (a) (b)	9.41	9.26	9.15	9.13	9.15	9.25	4.13
Dealings marked	4,952	2,952	2,374	5,027	5,343	4,823	4,395
Equity turnover £m	—	28.92	17.66	42.55	46.36	49.98	30.59
Equity bargains total	—	9,445	5,794	11,096	15,094	12,047	9,383

10 a.m. 371.7. 11 a.m. 373.5. Noon 374.6. 1 p.m. 373.4. 2 p.m. 373.3. 3 p.m. 374.7.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=9.33.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/5)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/5)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	377.8 (19/11)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	218.4 (1/12)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Dec. 30	Dec. 29
Daily—		
Gilt-Edged	158.7	118.4
Industrials	164.2	88.5
Speculative	38.3	28.1
Totals	112.7	67.2
5-day Av'r'ge		
Gilt-Edged	134.1	133.3
Industrials	130.0	130.9
Speculative	34.9	34.1
Totals	94.0	93.4

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS

GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section.

	Equity Groups	Tue. Dec. 30, 1975 Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Monday Dec. 29 Index No.	Wed. Dec. 24 Index No.	Tuesday Dec. 23 Index No.	Monday Dec. 22 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	141.83	+1.6	16.27	5.94	9.25	9.25	139.62	138.18	138.55	139.15	55.43	143.25 (18/11)	51.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (29)	140.06	+1.7	12.36	6.00	12.36	12.35	137.69	136.75	136.68	136.73	48.48	140.06 (30/12)	45.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	245.60	+1.2	14.56	3.92	10.61	10.61	242.64	240.91	241.92	242.18	81.36	263.54 (18/11)	74.74 (6/1)	389.33 (19/5/72)	71.48 (12/12/74)
4	Electricals (16)	243.61	+2.1	17.69	4.88	8.31	8.31	238.57	233.52	233.96	237.27	105.47	254.66 (18/11)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/66)
5	Engineering (Heavy) (13)	160.10	+0.8	20.23	7.33	7.54	7.54	158.86	157.02	156.87	158.50	67.93	164.07 (19/11)	64.39 (2/1)	202.57 (2/6/73)	64.39 (2/1/75)
6	Engineering (General) (63)	124.82	+1.4	17.64	6.76	8.50	8.50	123.10	122.17	122.27	122.95	48.74	124.82 (30/12)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	49.99	+0.9	16.89	8.45	10.67	10.57	49.53	48.69	48.53	48.64	21.70	50.91 (21/11)	20.11 (2/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (25)	120.31	+1.4	17.31	6.87	8.77	8.77	118.60	118.21	118.61	118.89	53.43	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	119.16	+1.5	15.49	5.25	9.72	9.71	117.42	116.14	116.19	116.81	42.19	119.16 (30/12)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	135.78	+1.5	13.92	3.94	10.75	10.73	133.72	131.73	131.94	132.72	47.53	135.78 (30/12)	44.28 (6/1)	257.41 (19/5/72)	42.85 (12/12/74)
11	Household Goods (14)	167.89	+1.3	14.58	6.32	10.07	10.04	165.81	165.13	164.92	165.50	66.57	168.90 (19/11)	64.53 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	68.36	+1.5	18.48	6.97	8.29	8.29	67.37	66.88	66.83	67.17	23.35	70.25 (18/11)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	149.62	+2.1	13.32	5.81	11.08	10.97	146.55	145.58	145.65	145.97	56.42	152.28 (18/11)	61.98 (6/1)	226.08 (18/8/72)	61.41 (13/12/74)
14	Breweries (15)	159.90	+2.6	13.25	6.55	11.43	11.43	156.88	155.59	156.04	156.76	81.50	172.53 (12/11)	76.58 (6/1)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	174.99	+2.5	10.58	5.76	14.34	14.34	170.72	171.82	169.63	167.56	84.82	177.94 (9/7)	80.42 (6/1)	257.40 (13/7/72)	78.81 (13/12/74)
16	Entertainment, Catering (16)	187.33	+1.9	11.56	6.49	13.83	13.17	183.77	182.94	182.93	183.46	61.80	187.33 (30/12)	55.28 (6/1)	329.99 (12/12/72)	54.87 (19/7/74)
17	Food Manufacturing (22)	162.41	+1.4	13.10	5.05	10.68	10.61	160.11	158.90	158.97	158.81	65.20	165.80 (18/11)	62.03 (2/1)	211.65 (1/5/72)	59.78 (11/12/74)
18	Food Retailing (16)	143.11	+1.6	11.09	4.84	13.12	13.12	140.91	139.72	139.82	141.43	60.45	155.88 (10/11)	57.15 (2/1)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	162.25	+1.9	14.08	6.23	10.63	10.63	159.17	158.00	159.02	159.90	60.40	162.25 (30/12)	55.08 (6/1)	250.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	103.79	+1.7	21.26	7.36	7.00	7.00	102.05	101.68	101.36	101.46	47.90	107.12 (20/5)	43.46 (6/1)	155.69 (26/4/72)	43.46 (6/1/75)
21	Stores (33)	123.02	+2.5	12.27	5.50	12.46	12.46	120.08	119.20	119.47	120.39	56.45	132.94 (24/10)	52.63 (6/1)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (22)	163.62	+1.7	14.55	6.60	8.85	8.30	160.81	156.96	156.96	156.92	67.25	163.62 (30/12)	62.91 (6/1)	253.72 (17/9/68)	62.66 (11/12/74)
23	Tobaccos (3)	221.21	+2.5	15.69	6.10	9.70	9.70	215.89	214.87	214.97	214.21	119.41	221.21 (30/12)	109.92 (6/1)	359.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	61.91	+1.1	23.10	6.42	6.06	6.06	61.24	61.09	61.54	61.67	23.03	63.76 (20/11)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (94)															
25	Chemicals (24)	197.10	+1.0	14.81	4.89	9.87	9.87	195.12	193.16	193.30	194.35	78.71	197.10 (30/12)	73.14 (6/1)	201.92 (31/1/69)	71.20 (1/12/74)
26	Office Equipment (10)	84.78	+0.5	15.72	6.14	8.92	8.92	84.35	84.96	84.78	85.14	48.03	104.78 (17/4)	45.34 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	363.11	+3.3	20.76	6.69	6.16	5.92	351.58	349.15	350.32	351.00	214.56	404.18 (18/11)	194.38 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	153.76	+1.7	15.66	6.84	9.38	9.38	151.83	150.10	150.74	150.90	68.05	156.36 (18/11)	60.39 (6/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	149.67	+1.7	14.62	5.78	10.03	9.97	147.10	145.92	146.06	146.59	63.75	151.53 (18/11)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	332.20	+0.8	15.15	4.85	7.37	6.60	329.67	322.84	322.84	323.78	118.14	338.18 (18/11)	105.83 (2/1)	431.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	164.88	+1.6	14.70	5.[illegible]	9.50	9.24	162.29	160.66	160.80	161.36	68.40	167.07 (13/11)	63.49 (6/1)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	135.44	+1.9	—	5.20	—	—	132.96	131.47	131.43	131.35	61.28	148.45 (20/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	166.90	+2.0	17.57	4.86	8.70	8.70	162.58	161.35	161.27	161.19	68.97	177.11 (6/6)	62.56 (2/1)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	172.22	+2.8	—	7.16	—	—	167.48	166.62	166.48	166.35	86.80	172.22 (30/12)	84.13 (6/1)	293.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	103.58	+2.4	—	6.57	—	—	101.14	99.55	100.15	102.70	46.52	134.39 (10/3)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	115.84	+1.0	—	5.90	—	—	114.67	113.50	113.59	113.76	48.49	129.51 (18/11)	44.88 (2/1)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	104.93	+1.1	—	6.54	—	—	103.80	102.32	102.32	102.16	48.02	123.90 (20/5)	44.47 (2/1)	165.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (10)	217.20	+0.2	9.73	4.18	15.49	15.49	216.75	215.59	215.59	217.23	73.98	232.39 (18/11)	68.96 (7/1)	262.37 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (18)	85.17	+2.1	—	6.32	—	—	83.59	82.89	83.30	83.75	35.50	94.97 (7/3)	31.21 (7/1)	276.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	173.77	+3.8	2.79	2.79	65.68	61.38	167.37	164.41	163.84	162.35	98.65	241.22 (22/4)	88.19 (7/1)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (4)	79.49	+1.3	12.61	6.08	12.67	12.52	78.50	78.17	77.50	77.50	41.88	80.81 (25/11)	34.78 (10/1)	303.13 (18/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	168.50	+0.7	2.99	4.24	33.51	33.48	167.34	166.64	166.86	166.84	76.37	178.53 (6/6)	73.43 (6/1)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	157.80	+1.6	—	5.48	—	—	155.32	153.79	153.89	154.27	66.89	160.63 (18/11)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	399.49	+2.8	16.04	8.39	9.57	9.54	388.68	380.91	379.03	378.19	287.62	525.48 (25/5)	281.66 (2/1)	555.37 (25/7/73)	84.68 (25/8/65)
45	Teas (9)	118.59	+0.3	39.86	8.73	3.68	3.63	118.23	116.67	118.80	118.22	77.65	124.57 (11/11)	76.76 (10/1)	124.57 (11/11/75)	59.72 (17/10/74)
46	Coppers (3)	258.30	—	38.41	6.65	2.60	2.60	258.30	251.97	252.81	251.97	379.12	467.74 (27/5)	251.97 (18/12)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	112.63	+0.9	10.49	4.47	10.77	10.77	111.65	110.53	110.75	111.15	88.15	141.34 (30/5)	80.58 (22/1)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	91.12	+1.6	13.73	9.91	10.39	9.75	89.71	86.81	87.18	86.61	60.43	114.49 (3/6)	58.91 (8/1)	125.43 (12/1/75)	54.83 (27/5/71)
49	Overseas Traders (13)	223.57	+1.6	14.99	4.67	8.53	8.53	219.53	214.00	212.89	214.06	—	252.23 (20/5)	97.37 (6/1)	252.23 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Tues. Dec. 30 Index No.	Tues. Dec. 30 Yield %	Monday Dec. 29	Wed. Dec. 24	Tuesday Dec. 23	Monday Dec. 22	Friday Dec. 19	Thurs. Dec. 18	Wed. Dec. 17	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols. 2½% yield	—	14.67	14.66	14.74	14.74	14.84	14.93	14.93	14.92	17.20	—	—	—	—
2	20-yr. Govt. Stocks (6)	47.34	13.71	47.20	47.08	47.02	46.94	46.50	46.31	46.16	38.53	[illegible]	[illegible]	[illegible]	[illegible]
3	20-yr. Red. Deb. & Loans (15)	49.57	14.90	49.57	49.57	49.50	49.50	49.20	49.15	49.16	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Investment Trust Prefs. (15)	46.79	14.80	46.79	47.03	47.08	47.05	46.83	46.73	46.75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Coml. and Indl. Prefs. (20)	62.38	15.22	62.61	63.57	63.73	63.78	63.69	63.59	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Retailing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Engineering (General)	31/12/71	[illegible]	Mining Finance	29/12/67	100.00
Wines and Spirits	10/1/70	[illegible]	All Other	10/4/62	100.00
Toys and Games	16/1/70	[illegible]			
Office Equipment	16/1/70	[illegible]			
Industrial Group	31/12/70	[illegible]			
Miscellaneous Financial	31/12/70	[illegible]			
Food Manufacturing	29/12/67	[illegible]			

† Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an ICL 1904 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price [illegible], by post [illegible]. CONSTITUENT CHANGES: [illegible]

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
Plessey 'New'	Nil pd.	14	7½*	+1	8½*	4½*
Shell Transport	25p	12	380	+6	390	118
Eagle Star 'New'	Nil pd.	11	17½*	+1½	19*	13*
Nat. Westminster	£1	10	250	+9	275	88
"Bats"	25p	9	347	+9	347	164
Distillers	50p	9	143	+4	150	65½
English Property	50p	9	61½	+3½	93	25
Grand Met.	50p	9	80	+3	80	17½
GUS 'A'	25p	9	201	+6	226	86
ICI	£1	9	334	+4	334	118
IC Gas	£1	9	358	+5	398	114
Barclays Bank	£1	8	298	+6	325	112
GEC	25p	8	142	+3	147	51
Land Secs.	50p	8	180	+5	251	79½
Lonrho	25p	8	128	+6	159	68

* Premium.

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec. 23	Jan. 6	Mar. 18	Mar. 30
Jan. 8	Jan. 19	Apr. 1	Apr. 13
Jan. 22	Feb. 2	Apr. 14	Apr. 28

"Calls" were dealt in Lonrho, Capital and Counties, British Land, Davy International, Burmah Oil, J. Brown, Dufay, Amalgamated Investment, English Property, Dunlop, Keyser Ullmann, ICI, Ibstock Johnsen, Town and City and Cavenham Warrants. No "puts" were reported, while "doubles" were arranged in Capital and Counties, Lonrho, British Land, Ibstock Johnsen, English Property, J. Brown, Amalgamated Investment and Law Land.

Industrials		Guardian	20	Spillers	5	Shell	28
		G.K.N.	22	Tesco	6	Ultramar	20
A. P. Cement	15	Hawker Sidd.	27	Thorn "A"	20		
Assoc. Leisure	3	House of Fraser	8	Tube Invest.	27	Mines	
Barclays Bank	25	I.C.I.	21	Unilever	40	Anglo Amer.	50
Beecham	28	"Imps"	7	Utd. Drapery	10	Charter Cons.	19
Boots Drug	12	I.C.L.	7	Vickers	15	Chart'rh'll Fin.	5
Bowaters	16	Inveresk	7	Williams Hud'n	4	Cons Gold	18
B.A.T.	30	Legal & General	15	Woolworths	6	De Beers Def.	35
British Leyland	7	Ladbroke	11			F.S. Geduld	350
BOC Int.	5½	Lloyds Bank	22	Property		Great Boulder	12
Burton 'A'	7	"Lofs"	5½	Amal. Inv.	4	Hampton Areas	14
Cadburys	6	"Mams"	6	Brit. Land	4	Hampton Prop.	4
Courtaulds	11	Marks & Sp'ncer	11	Cap. Counties	4½	Kloof	140
Debenhams	8	Midland Bank	25	E.P.	8	Lonrho	13
Distillers	13	Nat'l West Bank	22	Land Securities	18	Loraine	55
Dunlop	6½	"do" Warrants	10	MEPC	9	Poseidon	55
Eagle Star	13	P & O Dfd.	11	Peachey	8	Pres. Steyn	275
E.M.I.	17	Plessey	8	Town & City	4½	Rio T.Zinc	20
Gen. Accident	16	R.H.M.	6	Town & Comm.	4	Welkom	65
Gen. Electric	15	Rank Org. 'A'	18			West Areas	75
Glaxo	35	Reed Int'l	23	Oils		Western M'ng	18
Grand Met.	7	Rothmans	4	Brit. Petroleum	42		
G.U.S. 'A'	17	Slater Walker	5½	Burmah Oil	4		

NEW HIGHS AND LOWS FOR 1975

The following securities (number in parentheses) among those quoted in the *Share Information Service* yesterday attained new highs and lows for 1975.

NEW HIGHS (103)

BRITISH FUNDS (10)
Electric 3pc 1974-77 — Treas. 10½pcA 1979
Trans. 4pc 1972-77 — Electric 3½pc 1976-9
Exchq. 5pc 1976-78 — Treas. 3½pc 1977-80
Treas. 3pc 1979 — Treas. 3½pc 1979-81
Electric 4½pc 1974-9 — Treas. 13¼pcA 1997

INTERNATIONAL BANKS (2)
5pc Stk. 1977-82 — 5pc Stk. 1976

CORPORATION LOANS (4)
B'ham. 5¼pc 79-81 — L'pool. 7pc 1976-77
GLC 7¼pc 1976-77 — LCC 5pc 1975-78

COMMONWEALTHS (5)
Aust. 5pc 1974-76 — N.Z. 4pc 1976-78
Do. 5½pc 1975-78 — Do. 6pc 1976-78
Do. 5½pc 1981-82

BANKS (4)
Clive Discount — Trade Dev.
Gillett Bros. — Union Discount

BUILDINGS (11)
Fairclough (L.) — Smart
Johnson-Richards — Tarmac
Meyer (Mont. L.) — Travis & Arnold
Miller (Stan.) — Tunnel Hldgs. 'B'
Nott. Patent Brick — UBM
Royco

CHEMICALS (1)
ICI

CINEMAS (1)
Trident TV 'A'

STORES (4)
Paradise (B.) — Spirella
Readicut — Woolworth (F. W.)

ELECTRICALS (6)
Allied Insulators — M.K. Electric
Decca — Reyrolle Parsons
Electronic Rentals — Ultra Electronic

ENGINEERING (9)
Auto-Oil — Jackson (J. & H. B.)
Braham Millar — Staveley Inds.
British Northrop — Tube Invs.
Davy Int. — Weyburn
Hawker Siddeley

FOODS (6)
Barr (A. G.) — Clifford's Dairies
Bibby (J.) — Do. 'A' N-V
Clover Dairies — Tavener Rutledge

HOTELS (2)
Grand Met. — Do. 10pcCnv. 91-96

INDUSTRIALS (12)
Beecham — Martin-Black
Crest Nicholson — Metal Box
Ega Hldgs. — Mills Marsters
Fenner (J. H.) — Nathan (B. & I.)
Gomme Hldgs. — Rockware
Hestair — Unilever

MOTORS (1)
Lucas Inds.

NEWSPAPERS (3)
Marshall Cavendish — Thomson Org.
Pyramid

PAPERS (3)
Bemrose — Ferry Pickering
Dolan Packaging

PROPERTY (4)
Eng.-Prop. 12pcCnv. — Land S. 10pcCnv. '95
Evans of Leeds — Waite & Sons

TEXTILES (8)
Blackwood Morton — Leigh Mills
Bond St. Fabrics — Levex
Bright (John) — RKT
Hollas Group — Wood Bastow

TOBACCOS (1)
"Bats."

TRUSTS (2)
Yeoman Inv. — S.E. 4¼pc Ann.

OILS (1)
Royal Dutch

OVERSEAS TRADERS (2)
Berisford (S. & W.) — Ouvah Highfields

RUBBERS (1)
Malakoff

NEW LOWS (3)

AMERICANS (1)
Penn-Central

INDUSTRIALS (1)
Cuthbert (R. G.)

OVERSEAS TRADERS (1)
Jamaica Sugar

RISES AND FALLS YESTERDAY

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	35	4	16
Corpns. Dom. and Foreign Bonds	30	2	32
Industrials	509	145	1,071
Financial and Prop.	242	25	326
Oils	8	2	24
Plantation	7	1	39
Mines	77	5	70
Recent Issues	21	5	22
Totals	929	189	1,600

BASE LENDING RATES

AFI International	11 %
Allied Irish Banks Ltd.	11 %
Anglo-Portuguese Bank	11½%
Henry Ansbacher	11½%
Banco de Bilbao	11 %
Banco de Jerez	11½%
Bank of Cyprus	11 %
Bank of N.S.W.	11 %
Banque du Rhone S.A.	11½%
Barclays Bank	11 %
Barnett, Christie Ltd.	12 %
Bremar Holdings Ltd.	12 %
Brit. Bank of Mid. East	11 %
■ Brown Shipley	11½%
Cayzer, Bowater Co. Ltd.	11½%
Cedar Holdings	11 %
■ Charterhouse Japhet	11½%
C. E. Coates	11½%
Consolidated Credits	12 %
Co-operative Bank	*11 %
Corinthian Securities	11 %
Credit Lyonnais	11 %
G. R. Dawes	12 %
Duboff Brothers	12 %
Duncan Lawrie	11 %
English Transcont.	12 %
First London Secs.	11 %
■ Antony Gibbs	11 %
Goode Durrant Trust	11 %
Greyhound Guaranty	11 %
Grindlays Bank	11 %
■ Guinness Mahon	11 %
■ Hambros Bank	11 %
Hawtin & Partners	13 %
■ Hill Samuel	§11 %
C. Hoare & Co.	†11 %
Julian S. Hodge	12 %
Industrial Bank of Scot.	11 %
Keyser Ullmann	11½%
Knowsley & Co. Ltd.	12½%
Lloyds Bank	11 %
London & European	11½%
London Mercantile	11½%
Midland Bank	11 %
■ Samuel Montagu	11 %
■ Morgan Grenfell	11 %
National Westminster	11 %
Northern Comm. Trust	11½%
Norwich General Trust	11½%
Portman Guaranty	11 %
P. S. Refson & Co.	11 %
Rossminster Accept'cs	11 %
Schlesinger Limited	11½%
E. S. Schwab	12 %
Security Trust Co. Ltd.	12½%
Shenley Trust	12½%
Standard Chartered	11 %
Sterling Credit	12½%
Thames Guaranty	11 %
Trade Development Bk.	11 %
Twentieth Century Bk.	12½%
United Bank of Kuwait	11 %
Whiteaway Laidlaw	11½%
Williams & Glyn's	11 %
Yorkshire Bank	11 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 7%, 1-month deposits 7¾%.
† 7-day deposits on sums of £10,000 and under 7%, up to £25,000 7½% and over £25,000 8¼%.
§ Demand deposits 8¼%.

MONEY MARKET

Small assistance

Bank of England Minimum Lending Rate 11½ per cent. (since December 24, 1975)

Day-to-day credit was in slightly short supply in the London money market yesterday and the authorities gave a small amount of assistance by buying Treasury bills and Corporation bills from the Discount houses. Banks carried forward surplus balances from Monday and the market was also helped by an excess of Government disbursements over revenue payments to the Exchequer and a fall in the note circulation. Factors against the market were: a net take up of Treasury bills and settlement of very large official gilt-edged sales.

Discount houses paid 10⅞-11 per cent. for secured call loans at the start and closing balances were taken at around 10½-10¾ per cent.

In the inter-bank market overnight loans commanded 10⅞-11 per cent. for secured call loans in the early part, and after easing to 10½-10¾ per cent., funds were available at the close at 10¾-11 per cent.

Short-term fixed period interest rates continued to ease, with the three-month sterling certificate yield falling to 10[illegible]-10¾ per cent. from 11-10⅞ per cent. previously.

Rates in the table below are nominal in some cases.

Dec. 30 1975	Sterling Certificates of deposits	Interbank	Local Authority deposit†	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Bank bills ⊕	Fine trade bills ⊕
Overnight	—	10½-11	—	—	—	11⅛-11½	10½-11	—	—	—
2 days notice	—	—	11-11¼	—	—	[illegible]	[illegible]	—	—	—
7 days or 7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Local authority and finance houses seven days' notice, others seven days' fixed. [illegible]

Finance House Base Rate (published by the Finance Houses Association) 12 per cent. from December 1. Clearing Bank Deposit Rate for small sums at seven days' notice 7 per cent. Clearing Bank Rates for lending 11 per cent. Treasury Bills: Average tender rates of discount 10.6440 per cent.

CORAL INDEX
Close 373-378

I.G. INDEX
GOLD 139¼-142¼

INSURANCE BASE RATES

Atlantic Assurance	12 %
Cannon Assurance	11 %

Address shown under Insurance and Property Bond table.

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	16	....
Ash Spinning	33	....
Bertam	20	....
Bdg'wtr. Est. 50p	133	−2
Clover Croft	35	....
Craig & Rose £1	320	....
Dyson (R.A.)	28	....
Ellis & McHdy.	62	....
Evans Fr'k. 10p.	33	....
Evered	10	....
Fife Forge	40	....
Finlay Pkg. 5p	16	....
Frost & Reed 50p	157	−1
Gardiner & Scns	11	....
Gardner (L.)	71	+1
Graig Ship. £1	350	+15
Hallam Sleigh 10p	6	....
Higsons Brew.	92	....
I.O.M. Stm. £1	130	+3
Holt (Jos.) 25p	260	−5
Kleen-e-Ze	18	....
Lovell's Ship £1	78	....
N'thn. Goldsmith	89	....
P.M.A.	48	....
Pearce (C. H.)	80	....
Peel Mills	12	....
Richards 10p	13	....
RobbCaledon5h.	43	+1
Sayers 12½p	8	....
Sheffield Brick	65	....
Sheff. Refrshmt.	140	....
Shiloh Spinn.	28½	..
Sindall (Wm.)	53	....

IRISH

Alliance Gas (£1)	80	
Carroll (P. D.)	120	−2
Clondalkin	48	....
Concrete Prods.	92	....
Goodbody (£1)	34	....
Heiton (Hldgs.)	29	..
Irish Distillers.	67½	..
Irish Wire	35xd	−1
Jacob	72	−1
Sunbeam	8	..
Unidare	63	....

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	1975 Low	Stock	£	+ or -	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
99⅝	94[illegible]	Exch.6½pc 1976‡‡	99[illegible]	....	6.55	10.75
97[illegible]	92[illegible]	Treasury 6½pc 1976‡‡	97[illegible]	+⅛	6.68	10.96
99	97	Victory 4pc 1976‡‡	96⅝	....	4.04	—
102	95[illegible]	Treasury 10½pc 1976‡‡	99[illegible]	+[illegible]	10.56	11.04
95¼	88[illegible]	Treasury 6¾pc 1977‡‡	95[illegible]	−[illegible]	6.57	10.70
95¼	86¼	Electric 3pc '74-77	95¼	+[illegible]	3.15	7.16
103[illegible]	96[illegible]	Treasury 11¼pc '77‡‡	100⅞	....	11.40	10.87
93¼	84	Treasury 3pc '77‡‡	92¼	−[illegible]	3.25	7.34
92⅞	84[illegible]	Transport 4pc '72-77	92⅞xd	+[illegible]	4.31	7.97
96[illegible]	90½	Treasury 9pc 1978‡‡	95¼	....	9.45	11.47
100[illegible]	96	Treasury 10½pc '78‡‡	98[illegible]xd	+[illegible]	10.67	11.24
90	79	Exchequer 5pc '76-78‡‡	90	+⅝	5.55	9.19
103	94[illegible]	Treasury 11½pc '78‡‡	100¼	....	11.47	11.38
83[illegible]	71[illegible]	Treasury 3pc '78‡‡	83[illegible]	+¼	3.60	8.28
84⅛	73[illegible]	Electric 4¼pc '74-79	84⅛	+[illegible]	5.04	9.28
100[illegible]	94½	Treasury 10½pc '79‡‡	96[illegible]	+[illegible]	10.91	11.73
96[illegible]	95[illegible]	Do. 10½pc 1979 'A'	96[illegible]	+[illegible]	10.91	11.74
83[illegible]	71	Electric 3½pc '76-79	83[illegible]	+½	4.20	8.62
95	84	Treasury 9pc 1980‡‡	91[illegible]	+[illegible]	9.88	11.76
95[illegible]	89[illegible]	Treasury 9½pc '80‡‡	92¼	−[illegible]	10.30	11.81
83¼	68¼	Treasury 3½pc '77-80	83¼	+½	4.20	8.03
85⅛	71	Funding 5¼pc '78-80‡‡	85⅛	....	6.16	9.40
		Five to Fifteen Years				
98[illegible]	94[illegible]	Treasury 11½pc 1981	98xd	−[illegible]	11.68	11.91
81	66[illegible]	Do 3½pc '79-81	81	+[illegible]	4.39	8.46
91[illegible]	72[illegible]	Do 8¼pc '80-82‡‡	86[illegible]xd	+¼	9.83	11.69
104[illegible]	86[illegible]	Treasury 12pc 1983‡‡	102[illegible]	+¼	12.1[illegible]	12.27
73	58	Funding 5½pc '82-84‡‡	73[illegible]xd	+¼	7.48	10.46
85¼	61[illegible]	Treasury 8½pc '84-86‡‡	79[illegible]xd	+¼	10.71	11.96
73¼	51⅛	Funding 6½pc '85-87‡‡	69⅝	+¼	9.52	11.59
76¼	53	Treasury 7¾pc '85-88‡‡	71xd	+¼	10.83	12.35

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 63% (based on $2.0222 per £)

CANADIANS

S.E. List Premium 63% (based on $2.0222 per £)
Conversion factor 0.6136 (0.6067)

††BANKS AND HIRE PURCHASE

1975 High	1975 Low	Stock
235	135	Alexanders D. £1
£114	£67	Algemene Fl.
400	190	Allen Harvey
142	45	Allied Irish
77	14	Anglo Contl.
185	95	Arbuthnot L.
438	170	Aust. & N.Z.
£57	£21¼	BankAmer.
49	22½	Bk. Hapoalim
365	120	Bk. Ireland
£151	£66	Do. 10pc Cv.
23	16½	Bk. Leumi A
230	180	Bk. Leumi (U.K.)
720	370	Bk. N.S.W.
295	104	Bank Scotland
£71¼	£20⅝	Bankers N.Y.
325	112	Barclays £1

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INSURANCE BASE RATES

Atlantic Assurance ... 12 %
Cannon Assurance ... 9¼%
Address shown under Insurance and Property Bond table.

هكذا من الاصل

INDUSTRIALS—Continued

FINANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Trusts, Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£17¾	250	Durban Deep R1	350	+20	Q20c	ϕ	3.2
574	500	E. Rand Prp. R1	505	+5	Q35c	ϕ	3.8
105	22	Rand Leases [illegible]	25	+1	—	—	—
£34½	£25¾	[illegible]	£17¾	+¼	—	—	—
500	130	West Rand R1	140	+5	Q10c	ϕ	3.9

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	165	Bracken [illegible]	190	+2	Q52c	2.0	15.1
23	5	Daggafontein 50c	10	+1	—	—	—
105	33	East Dag. R1	34		—	—	—
140	[illegible]	Grootvlei [illegible]	140		—	—	—
380	110	Grootvlei 25c	123	+3	Q20c	ϕ	9.0
820	385	Kinross R1	485	+30	Q54c	1.4	6.2
90	58	Leslie 65c	66	+1	Q18c	1.4	15.1
550	165	Marievale [illegible]	225		Q42c	ϕ	10.3
725	175	S. African Ld. 35c	210	+10	Q30c	ϕ	7.9
265	82	Vlakfontein R1	105	+5	Q20c	ϕ	10.5
£13¾	660	Winkelhaak R1	830	+40	Q100	1.1	7.2
120	33	Wit. Nigel 25c	40	+2	—	—	1.4

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	615	Blyvoor 25	710	+10	Q100c	1.3	‡
£21½	£12½	Buffels R1	£12¾	+¼	Q180c	1.4	7.8
430	185	Deelkraal R0.20	198		—	—	—
£14¾	590	Doornfontein R1	725	+5	Q115c	1.4	‡
£12¾	725	East Drie R1	955	−5	Q75c	ϕ	4.3
450	172	Elsburg R1	180	−5	Q13.8c	ϕ	10.4
£31	£15	Hartebeest R1	£17½	+½	Q215c	1.4	6.8
£13¾	620	Kloof Gold R1	680		Q55c	1.4	4.5
£17¼	525	Libanon R1	750		Q110c	1.9	‡
£13¾	600	Southvaal 50c	680	+28	Q8c	ϕ	0.6
480	200	Stilfontein 50c	210	+5	Q36c	ϕ	9.5
£33¼	£17	Vaal Reefs 50c	£19¼	−¼	Q175c	ϕ	4.9
£11½	280	Venterspost R1	338	+10	Q70c	1.9	‡
£55	£35	W. Drie R1	£34	+¼	Q85c	1.2	‡
745	275	W. Rand Areas R1	365		Q52c	ϕ	9.4
£23	£13	Western Deep R2	£14	−½	Q147c	ϕ	5.7
536	275	Zandpan R1	295	+5	Q35c	1.0	6.9

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

NOTES

"Recent Issues" and "Rights" Page 12

FINANCIAL TIMES

Wednesday December 31 1975

WILSON MESSAGE TO LABOUR PARTY

'Bottom of recession reached'

BY RICHARD EVANS, LOBBY CORRESPONDENT

There are some signs—tentative, not conclusive—that the bottom of Britain's economic recession has been reached, Mr. Harold Wilson tells Labour Party members in a New Year message to-day.

The Prime Minister, in slightly more optimistic terms than he used in his BBC radio interview at the week-end, adds that for the U.K. "1976 must be the year in which the suspicion of recovery becomes a fact."

It has to be the year in which the battle against inflation turns decisively in the U.K.'s favour.

In Mr. Wilson's view, the Government has the country's wholehearted and voluntary backing after bringing in the counter-inflation policies last summer. "We now have to build on that support," he declares.

The objective of reducing the inflation rate to below 10 per cent. must be achieved by the end of next year "and after that we must ensure not only that it stays there, but it is comparable with levels achieved by our international competitors."

Failure to do so, Mr. Wilson warns, would mean that all the Government's other objectives designed to bring about a fair and socially just society would be frustrated.

Affected all

The Prime Minister goes out of his way in the message to stress that the economic recession has affected not just the U.K. but all the industrialised world. Western industrialised nations are going through a recession without parallel in modern times, and the past two years have shown that no country can be an island in economic terms.

No nation, however wealthy, can remain aloof and unaffected by the economic storms which engulf its neighbours. The British people recognised this truth when they voted overwhelmingly to play their full part in the European Community.

If 1976 is to be the year of advance, then Mr. Wilson is convinced that the British people will continue to reject the backward-looking philosophies with which the Conservative Government "launched this nation into recession in the winter of 1973-1974."

Sir Geoffrey Howe, "shadow" Chancellor of the Exchequer, has agreed in his New Year statement that Mr. Wilson was right to warn of hardship in the year ahead, but in his opinion people will have to give much more than a year to Britain. "It will be a hard slog—years, not months."

He lists seven New Year resolutions for Mr. Wilson to make: stop calling on other nations to float Britain off the rocks; tell the people the truth about the economy; stop mortgaging the future; cease pretending that rising public spending can go on saving jobs; boost the cause of higher profits won through successful competition; call a final halt to nationalisation; and spell out clearly the choices that have to be made.

Mixed economy

This may seems a sombre message, Sir Geoffrey says, but it can be the beginning of hope. A Government prepared to turn away from politically-motivated upheaval and to re-create the essential dynamics of a mixed economy can effect a transformation in all our expectations.

Fall in Stocks revised: but still a record

BY ANTHONY HARRIS

REVISED figures for stock changes and capital investment in the third quarter of this year show that the provisional figures, published earlier, very slightly overstated the fall in stocks and investment in the quarter.

The picture remains one of sharp recession, though with some signs that September was a cyclical trough.

The revised fall in manufacturers' stocks, at £210m. (1970 prices), compared with an earlier estimate of £240m., is still by far the biggest quarterly fall in stocks ever recorded.

In spite of this reduction, stocks remained some 6½ per cent. higher than normal in relation to output, and more than 15 per cent. higher than at the end of the last major de-stocking cycle in 1972.

While this ratio is a somewhat unstable indicator—de-stocking is one of the most important factors depressing output, and therefore tends to inflate the ratio — the figures suggest that de-stocking still has rather a long way to go.

Distributive stocks, by contrast, present a much more encouraging picture. After falling heavily for a full year—including a record drop in the June quarter, resulting from the sales boom between the Budget and the rise in VAT rates in May, stocks rose modestly in the September quarter.

Healthier

Although wholesalers continued to reduce their stocks, retailers rebuilt theirs by some £60m.; and since distributive stocks have now been cut to a historically low level in relation to sales, a healthier flow of orders to manufacturers is likely to be maintained, even if sales in real terms remain flat.

The revised figures for capital spending are about 1½ per cent. higher than the earlier provisional estimate, but still show that investment by manufacturers during the first nine months of the year was 10 per cent. down from last year, and by distributors 12 per cent. down.

The biggest cuts were in purchases of vehicles (down 23-24 per cent.); plant and machinery purchases were down 9 per cent. Chemical, energy and metal producers raised their investment sharply; the biggest fall—nearly a third from 1974—was in textiles and clothing.

THE LEX COLUMN

Beating the New Year deadline

A dozen companies are holding annual or extra-ordinary meetings to-day even in the absence of Oldham Estate's traditional end-of-the-year frolic which took place nearly three weeks ago featuring a maskless Harry Hyams. This unusually large New Year's Eve total is less because of an unseasonal perversity than necessity. In a number of cases meetings have to be held to-day otherwise balance-sheet or legal restrictions will be infringed.

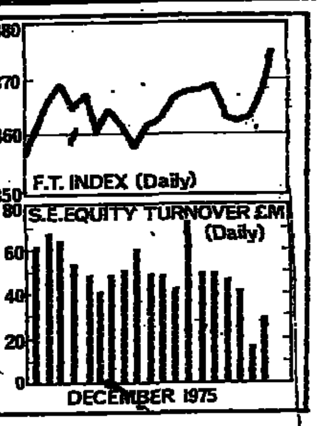
At Slater Walker, the proposal to repay £3.46m. of unsecured loan stock at par—presumably to be passed with eager acclamation by holders—is just in time for the balance sheet date. The repayment will safely remove the most restrictive remaining borrowing limit of twice capital and reserves. This might have been rather uncomfortable following any write-offs, though the implication is that provisions will not be so large as to test the thrice capital and reserves limits of the other Slater stocks.

The need for a meeting by the end of the year is even more pressing in the case of First National Finance Corporation; if the reorganisation is not approved, the company could be in technical default on payment of loan stock interest due to-day. The proposals involve the deferment of interest, the alteration of other rights on two subordinated loan stocks and a general revision of borrowing papers. As usual, stockholders have been told that the "only realistic alternative" would be immediate liquidation.

New Year's Eve also provides a final opportunity for less forthcoming companies to hold the shareholders' meeting required once a year. But at Equity Enterprises, whose last figures are two years' out of date, shareholders are likely to learn little at to-day's meeting since directors have already said they will propose an adjournment until after the accounts for 1974 appear some time in the New Year.

Town and Commercial Properties' shareholders will have to wait a little longer before they meet their Board; the last time they received any figures (for the year to March 31, 1974) was over 13 months ago and the last meeting was in December 1974. Although in breach of the requirement on holding a meeting every year the company has asked the Department of Trade for an extension. The figures for 1974-75 are apparently imminent with the report in about a month and the meeting in mid-February. But the more immediate question has been about the payment of half-yearly interest on the 6¾ per cent. £20.7m. convertible loan stock due to-day. A fortnight ago the stock stood at £17 but it has since risen steadily and yesterday increased £3½ to £23, which suggests that there will be no upsets. But the gross redemption yield is still 37 per cent.

Index rose 6.7 to 374.8



Alexander Howden

If it goes through, the agreed bid for Halford Shead is going to add usefully to Alexander Howden's profits from insurance broking. The enlarged group could be getting over 60 per cent. of pre-tax returns from this source, and more than two thirds of its brokerage will be coming from outside the U.K. The bid itself — backed by a one-third acceptance — looks cut and dried, and the Howden share price is not quibbling with the terms; since the bid was announced in November Howden has moved broadly in line with the market.

At £10m. pre-tax, Howden's minimum forecast for 1975 implied some earnings dilution and the more so since the projection is clearly conservative. It excludes U.K. underwriting income (worth £400,000 in 1974) and outside estimates put the year's outturn closer to £10.75m. But similarly Halford's own profit forecast is open to extensive reinterpretation. The bid terms include payment for the future earnings of the Hart agencies acquired by Halford this year and contributing just £85,000 for 2½ months. Annualising that upgrades Halford's expected 1975 profits to around £1.75m. and leaves Howden with a 16 per cent. gain in earnings for an aditional 18 per cent. of equity.

Mergers in insurance broking have had their problems in the past: as a service industry heavily reliant on people it is important that toes are not trodden upon. But Halford will provide very little in the way of business overlap which means no redundancies. Howden's brokerage income is currently running some 30 per cent. up so a combined 1975 p/e of under 13 is solidly based.

Akroyd & Smithers

Akroyd and Smithers's balance sheet provides an intriguing insight into a jobber's books on a memorable day for the securities markets—October 3, the day that the Bank of England sent shock waves through the system with a one point rise in MLR. Rises of around a point in long gilts during the morning were transformed into losses of half a point or more by the close and Akroyd drew up its accounts with a net bear position of £53m. This was substantially related to gilts, and had apparently been built up in the latter part of the week.

Gilts and equities duly tumbled the following Monday but that marked the autumn low for the 30 Share Index at 321.6, and a turning point in Government Seurities Index was also quite close. Akroyd's turnover has shown an encouraging increase since the final quarter of 1974-75, and profits to date compare favourably with what was a relatively dull period last year.

SE Inquiry

The Stock Exchange has been able to find no evidence of breach of security or of insider trading in Slater Walker shares immediately before the founder's resignation. This is fair enough. The shares had been weak for months, and it need not have required much selling to start the run. But the Investigating Committee might have been wiser to leave it at that. The shares collapsed from 46p to 35p after hours following a strong day for equities generally. The argument that this "could well be accounted for by normal market factors" will not convince outsiders whose concept of normality does not stretch that far.

Norwest Holst may go to two directors

By Stewart Fleming

CONTROL OF Norwest Holst, a leading construction group in the North West which last year had sales of £60m., could pass to two directors of an unquoted Manchester property development company, Stonegate Securities, if a deal announced yesterday is approved by the Takeover Panel.

The Le Mare family, which owns about a third of the Norwest equity, has agreed, subject to panel approval, to sell its shareholding to Mr. Raymond Slater and Mr. John Lilley.

Mr. Slater and Mr. Lilley, who are now directors of Norwest, were members of a consortium backed by First National Finance Corporation which built up a 35 per cent. stake in the company in 1973 and 1974.

An FNFC spokesman emphasised yesterday that it was in no way involved in financing the latest planned share purchases by Messrs. Slater and Lilley and that the original consortium was no longer acting together.

In the latest Norwest accounts Messrs. Slater and Lilley are shown as beneficial owners of 25 per cent. of the company's equity, so the purchase of a further third of the capital would give them control. Under the Takeover Panel rules it would also trigger an obligation to make a similar offer to other shareholders.

None of the people involved in the transaction was available for comment last night. Mr. Noel Le Mare, well-known in racing circles as the owner of Red Rum, twice winner of the Grand National, was travelling from London to Liverpool. Messrs Slater and Lilley were also travelling North.

Details of the proposed share sale, including the price at which they are expected to change hands and the source of finance for the deal, were not disclosed.

Mr. Ted Brian, the Norwest chief executive, said that as far as he was aware it was not envisaged that there would be any major changes in management. He pointed out that Messrs. Slater and Lilley were experienced in property development not construction. "The terms of my contract are very clear. I have complete control of this group," he added.

News of the Le Mare family's decision to sell out came after an extra-ordinary general meeting of Norwest when interim profits for the group were announced. These showed a recovery from last year's £3.9m loss.

The shares closed at 40p, up 4p on the day. This compares with a peak of 130p in 1973 when the consortium was building up its stake in Norwest.

Interim results, Page 12

Vorster recalls envoy from U.S. for Angola reappraisal

BY GRAHAM HATTON

JOHANNESBURG, Dec. 30.

THE South African Ambassador to the United States, Mr. Pik Botha, has returned home for talks amid growing public demand, that this country's involvement in Angola should be swiftly brought to an end

Mr Botha, who also represents Pretoria at the UN, declined last night to say anything about his visit but said he would return to Washington in a few days. However, his visit follows a series of meetings between the Prime Minister, Mr Vorster, and his chief defence, security and foreign affairs advisers at Mr. Vorster's holiday home near Port Elizabeth. It is assumed that the meetings, and Mr. Botha's presence, are connected with a review of South Africa's role in Angola.

Nine South African soldiers have been reported killed in the "operational area" this month and at least four taken prisoner. In an editorial to-day, the Johannesburg Rand Daily Mail called for a withdrawal of South African presence from Angola on the grounds that it was embarrassing the West.

Jurek Martin reports from Washington: Informed sources here suggest that Mr. Botha was recalled to take part in a wide ranging review of South Africa's policies in Southern Africa, Centering on Angola. American sources do not rule out the possibility that Mr. Botha will return to Washington with concrete proposals. But they stress that nothing had passed between the two countries in Washington which would alone have warranted his recall.

It is also possible that Mr. William Schaufele, the U.S. Assistant Secretary of State for African Affairs, could expand his current tour of African States to include a visit to South Africa, though this was not on his itinerary.

Mr. Schaufele conferred over the weekend with President Mobutu of Zaire. Between now and the end of the week, he intends to visit Gabon, Cameroon, the Ivory Coast and Senegal in an attempt to line up support against Russian activities in Angola prior to the special meetings of the Organisation of African Unity in Addis Ababa from January 8-20.

Meanwhile, the Government of Guyana has refused to give a commitment to the U.S. that it will deny use of its territory to Cuban aircraft flying to and from Angola.

The State Department obliquely admitted to-day that it had received a reply from Mr. Forbes Burnham's Government to its approaches of last week. Both Barbados and Trinidad, following similar exchanges, subsequently told Cuba it could not have transit rights.

A high level mission from MPLA Government yesterday asked Mr. Burnham's Government in Georgetown to grant Cuban aircraft staging post rights.

Bridget Bloom adds: There was no confirmation from Lagos yesterday of an MPLA claim that Nigerian troops might already have arrived in Luanda. According to Major Henrique Carvalho dos Santos, who is leading a three-man MPLA team to Caribbean and Latin American countries, Nigeria, Congo Brazzaville, Guinea-Conakry and Guinea Bissau had said they were ready to send troops to help the MPLA. "The troops from Nigeria might already be arriving in my country," Major dos Santos said at a Press conference in Georgetown, Guyana.

Nigeria, which recognised the MPLA last month, has reportedly already offered some $100m of different forms of aid to Luanda.

Pilkington may buy only part of SWS stake in Rockware

BY MARGARET REID

A COMPROMISE solution was under urgent negotiation last night to resolve sharp differences over a plan for the sale of Slater Walker Securities' £9m. 28 per cent. share stake in the Rockware Group glass container concern to Pilkington Brothers.

The talks followed a statement by Rockware's chairman, Mr. Peter Parker, saying his Board had been advised that the SWS interest was to be sold to Pilkington Brothers and adding: "This is contrary to recent assurances given by those acting for Slater Walker. We are currently seeking clarification." Taking part in the discussions, which will continue to-day, were Pilkington's chairman, Sir Alastair Pilkington, Mr Parker and Mr. Ivor Kennington, a director of the recently reconstructed SWS Board.

A formula which would involve Pilkington taking a holding of some 20 per cent. of Rockware, with the other 8 per cent. being placed with institutions, is thought to have been in the forefront of the day's discussions. This was in line with a suggestion yesterday morning from Mr. Jimmy Goldsmith, the new SWS chairman, who is convalescing from influenza at Gstaad in Switzerland after his recent visit to Singapore to negotiate about the disputed £14½m. loan owed to his group by Haw Par Brothers International.

The background to the differences over the disposal is that, when the SWS holding in Rockware was built up early in 1973, it was agreed between the two companies that the stake would not be disposed of before the spring of 1976 unless Rockware approved.

However, as SWS is thought to see the matter, this understanding was overtaken by a more recent one under which Rockware, with its advisers and those of SWS, was to investigate possibilities of placing the shares. This was arranged when it was clear that SWS, whose financial position is being reassessed by its new Board, was keen to sell at the right price.

The present problem has arisen because, while Pilkington has evidently been a willing buyer of the shares offered to it at a premium above the market price—unchanged yesterday at 69p—a placing with institutions (preferred by Rockware) would normally be at a discount. SWS, with a proposed £3½m. loan stock repayment, on which shareholders will vote to-day, to be made, wants the best price for its Rockware shares.

● A Stock Exchange inquiry into dealings in the shares and other securities of SWS before Mr. Jim Slater's resignation on October 24 has yielded no evidence of trading by any person who was in possession of confidential information. Also, no evidence has been found of any breach of security by the company or any of its advisers.

Following Press comment, the inquiry was widened to take account of certain deals in SWS shares which took place during last summer. The investigating committee received "satisfactory explanations of these transactions."

Weather

U.K. TO-DAY

CLOUDY, mostly dry.

London, S.E., Cent. S., E. England, E. Anglia, Midlands
Cloudy. Winds S.W., fresh. Max. 9C (48F).

Channel Is., S.W. England, S. Wales
Cloudy, drizzle. Winds S.W., fresh. Max. 11C (52F).

N. Wales, N.W., Cent. N., N.E. England, Lakes, Is. of Man, Borders, S.W. Scotland, N. Ireland
Cloudy, rain, hill fog. Winds S.W., fresh. Max. 7C (45F).

Edinburgh, Dundee, Aberdeen, Moray Firth
Scattered showers, snow on hills. Sunny intervals. Winds W., strong. Max. 4C (39F).

Glasgow, Cent. H'ghlands, N.E., N.W. Scotland, Argyll
Snow on high ground. Winds W., strong. Max. 4C (39F).

Orkney, Shetland
Snow on high ground. Winds W., strong. Max. 3C (37F).

Outlook: Cold with wintry showers, becoming mild generally.

Lighting-up: London 16.30, Manchester 16.28, Glasgow 16.22, Belfast 16.36.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amsterdam	C	4	39	Madrid			
Athens				Manchester			
Bahrain				Melbourne			
Barcelona				Mexico C.			
Beirut				Milan			
Belfast				Montreal			
Belgrade				Moscow			
Berlin				Munich			
Birmingham				Newcastle			
Bristol				New York			
Brussels				Oslo			
Budapest				Paris			
B. Aires				Perth			
Cairo				Prague			
Cardiff				Reykjavik			
Cologne				Rio de Ja'o			
Copenhagen				Rome			
Dublin				Singapore			
Edinburgh				Stockholm			
Frankfurt				Strasbourg			
Geneva				Sydney			
Glasgow				Tehran			
Helsinki				Tel Aviv			
H. Kong				Tokyo			
Jo'burg				Toronto			
Lisbon				Vienna			
London				Warsaw			
Luxembourg				Zurich			

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio				Jersey			
Algiers				Las Plms.			
Biarritz				Locarno			
Blackpool				Majorca			
Bordeaux				Malaga			
Boulogne				Malta			
Casablanca				Naples			
Cape Town				Nice			
Corfu				Nicosia			
Dubrovnik				Oporto			
Faro				Rhodes			
Florence				Salzburg			
Funchal				Tangier			
Gibraltar				Tenerife			
Guernsey				Tunis			
Innsbruck				Valencia			
Inverness				Venice			
Istanbul							

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sn—Snow.

Continued from Page 1

Chrysler

redundancies at Linwood will be necessary, a vote of acceptance will be taken without a mass meeting being called. This is because of the difficulty of bringing employees together over Hogmanay.

Linwood has three alternatives: reducing the 7,000-plus labour force by 3,000 immediately, recalling 1,500 in the summer after Avenger car production is moved from Coventry, or going on to short-time to reduce redundancies to 1,500.

The closure of the Maidstone factory, with the loss of about 500 jobs, is believed to have been generally accepted.

The groundswell for acceptance of the rescue programme is likely to grow during the next two days, before Chrysler's top management and union officials meet again in Coventry on Saturday. It has been made plain that the programme is so integrated—with Chrysler's Simca plant in France as well as between U.K. factories—that it requires universal acceptance before the first penny is made available.

Continued from Page 1

BSC firm on economies

the Corporation should take no action till there were talks next week after the Board had met.

By that time, however, the situation will be further complicated by the Corporation trying to resist a cost-of-living linked pay claim lodged by Mr. Sirs' and other unions under an agreement signed last June.

This could yield at least 5 per cent. wage increases and would further raise the new £8.4m. weekly loss estimate, which is thought to include a lower wage rise estimate because the Corporation would prefer the unions to forgo the increase.

The £8.4m. estimate is the result of expected increased material as well as wage costs and compares with £6.4m. a week this month and a 1975 average of £5m. a week.

But Mr. Scholey stressed to the unions that the Corporation might be able to afford to keep the guaranteed wage payments—which affect a total of 100,000 workers and are the most contentious of the Corporation's cuts—if unofficial strikes were eliminated.

This year there had been 400 unofficial strikes losing steel tonnage worth about £60m.—roughly the annual cost of the guaranteed week. This same pattern had also emerged last year.

Union and worker help to eliminate unofficial strikes was the first of four requests unsuccessfully urged on the unions yesterday by the Corporation.

The other three were increased flexibility to allow workers to be transferred within steel works from one job to another; general voluntary help on relaxing the guaranteed week; and the cost of living wage increase being waived.

"I find it very disappointing that the workforce has not responded more vigorously in trying to help management. I can't move on something in spirit from the unions—there's got to be tangible root and branch action," said Mr. Scholey. The unions had to show they would make "positive use" of their powers.

He said this having been unimpressed with offers from the unions that if the cuts package was withdrawn, they would help streamline production and "put teeth" into broad efficiency measures agreed earlier this year.

Mr. Sirs decided not to put forward his plan for steelworkers to help by taking shares in the Corporation because the cuts package remained "on the table." Mr. Sirs also said that he thought the Corporation's behaviour indicated the need for more workers on the Board.

New jobs

ONE HUNDRED jobs will be created in the next two or three months as the result of a £1m. investment scheme at the Nottingham-based Meridian Knitwear Company, it was announced yesterday.

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